

Initiating Coverage

LG Electronics India



LG Electronics India

Steering through winds of leadership and innovation

We initiate coverage on LG Electronics India (LG) with an ADD rating and a TP of INR 1,545 per share, valuing it at 38x Mar-28E AEPS. We like LG for its market leadership in core product categories, strong brand equity, consistent technological innovations and product launches, healthy balance sheet, robust return ratios, and low working capital needs. LG is a leading player in washing machines, refrigerators, panel televisions, and inverter ACs. The company leverages the LG Group's ecosystem—spanning R&D, manufacturing, and automation best practices—to enhance its operational efficiency and drive innovation, consistently introducing first-in-industry products. We expect the company to deliver revenue/EBITDA/APAT CAGRs of 8/8/8%, respectively, over FY25-28E.

- **Strong brand equity, leading market share in key categories:** LG has leading offline market share in washing machines, refrigerators, panel TVs, and inverter ACs of 34/30/28/21%, as of June 2025. The company's revenue mix includes 27/22/21/20% from refrigerators/air conditioner/washing machine/televisions and balance 10% is contributed by other product categories.
- **Innovation, parent support, and diverse product portfolio:** The company leverages LG Group's ecosystem—spanning R&D, manufacturing, and automation best practices—to enhance its operational efficiency and drive innovation, consistently introducing first-in-industry products. It has a wide range of products across price points to cater to different classes of customers.
- **Healthy performance and robust return ratios:** The company delivered a 13% revenue CAGR over FY23-25 (7% over FY15-25), while EBITDA and APAT registered 22% CAGR over FY23-25 (~10% over FY15-25). EBITDA margin expanded by 260bps to 12.8% over FY22-25, fueled by higher localization and premiumization. LG has strong return metrics, with RoE more than doubling from 20% in FY22 to 45% in FY25. LG is planning a major INR 50bn capex at Sri City (operational in phases by CY30), which will dilute return ratios.
- **Initiate coverage with an ADD rating:** We like LG for its market leadership in core product categories, strong brand equity, consistent technological innovations and product launches, robust return ratios, and low working capital needs. We expect the company to continue to deliver healthy growth across all segments in the coming times, though FY26E will remain soft due to muted demand. In our view, the company's margins will decline in FY26E owing to weak demand leading to higher promotional expenses, surge in raw material costs, and negative op-leverage. However, margins are expected to recover starting FY27E, led by demand revival. We expect the company to deliver revenue/EBITDA/APAT CAGRs of 8/8/8%, respectively, over FY25-28E. We are initiating coverage with an ADD and a TP of INR 1,545 per share, valuing it at 38x Mar-28E AEPS.

Financial summary

YE Mar (INR mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	1,68,342	1,98,646	2,13,520	2,43,666	2,49,602	2,77,624	3,06,078
EBITDA	17,105	18,993	22,249	31,101	24,297	34,371	39,594
EBITDAM (%)	10.2	9.6	10.4	12.8	9.7	12.4	12.9
APAT	12,056	13,480	15,111	22,033	17,303	24,412	27,631
AEPS (INR)	17.8	19.9	22.3	32.5	25.5	36.0	40.7
EV / EBITDA (x)	53.8	49.0	42.1	29.7	37.4	26.1	22.3
P/E (x)	79.3	70.9	63.2	43.4	55.2	39.1	34.6
RoE (%)	19.9	27.4	37.2	45.2	25.3	28.0	25.4

Source: Company, HSIE Research

ADD

CMP (as on 28 Jan 2026) INR 1,408

Target Price INR 1,545

NIFTY 25,343

KEY STOCK DATA

Bloomberg code LGEL IN

No. of Shares (mn) 679

MCap (INR bn) / (\$ mn) 957/10,423

6m avg traded value (INR mn) -

52 Week high / low INR 1,749/1,300

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.8)	-	-
Relative (%)	(12.1)	-	-

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	100.00	85.00
FIs & Local MFs	0.00	7.15
FPIs	0.00	3.00
Public & Others	0.00	4.85
Pledged Shares	-	-

Source: BSE,
Company

Pledged shares as % of total shares

Keshav Lahoti

keshav.lahoti@hdfcsec.com

+91-22-6171-7353

Rajesh Ravi

rajesh.ravi@hdfcsec.com

+91-22-6171-7352

Mahesh Nagda

mahesh.nagda@hdfcsec.com

+91-22-6171-7319

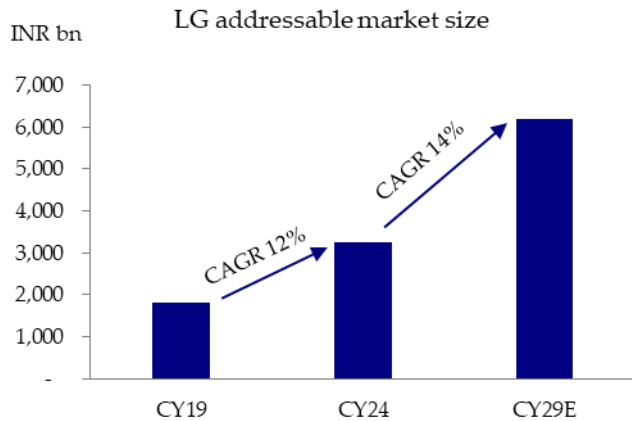
Riddhi Shah

riddhi.shah@hdfcsec.com

+91-22-6171-7359

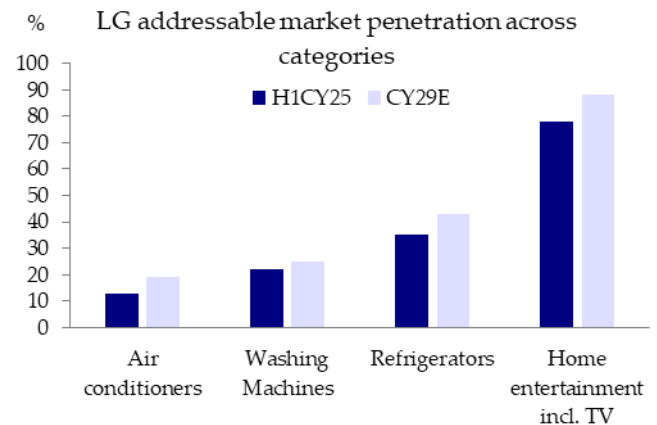
Focus charts

Company addressable market to grow at 14% CAGR over the CY24-29E



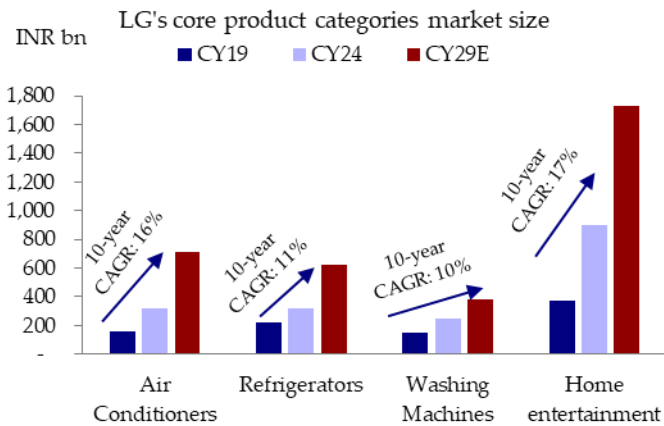
Source: LG RHP, HSIE Research

Penetration levels across the company's key product categories (ex-TV) remain low



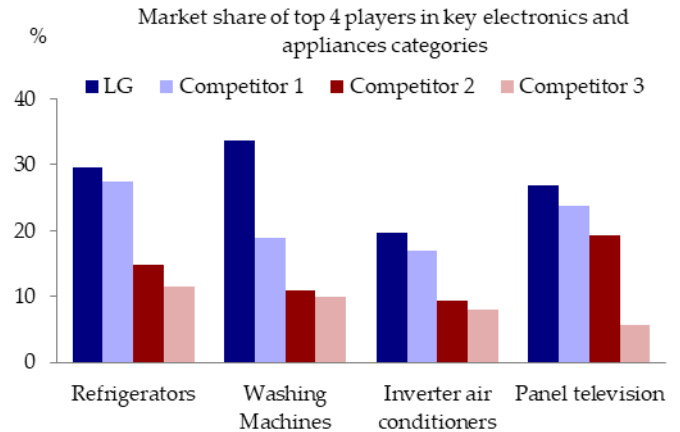
Source: LG RHP, HSIE Research

Healthy growth is anticipated across all key product categories of the company



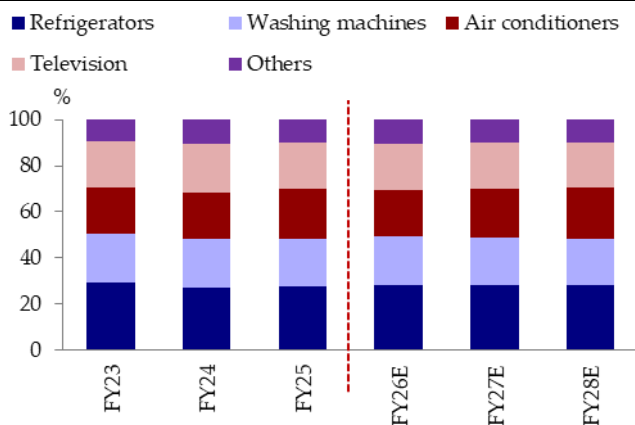
Source: LG RHP, HSIE Research

LG holds the leading position in offline channels across major electronics and appliance categories



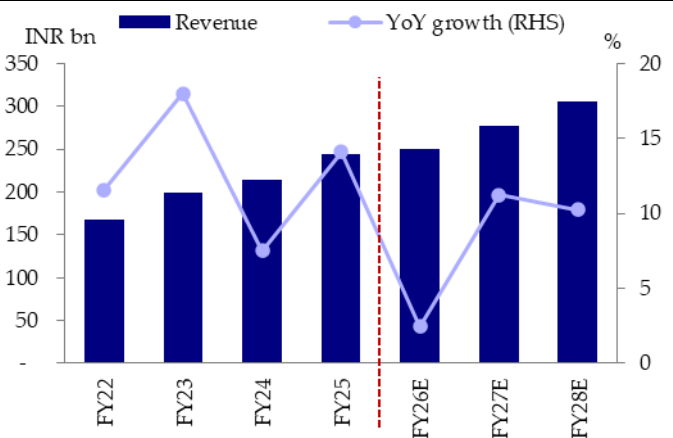
Source: LG RHP, HSIE Research

Product mix to remain broadly same over the FY25-28E



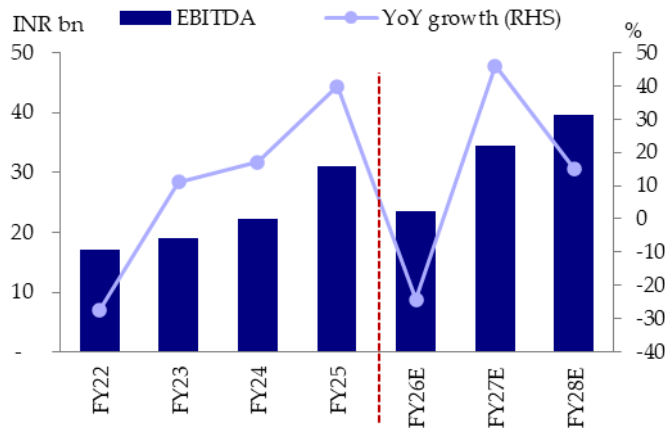
Source: Company, HSIE Research

Revenue to witness 8% CAGR over FY25-28E



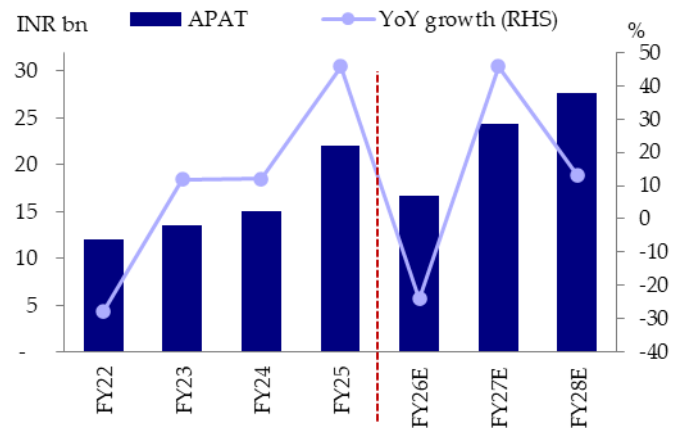
Source: Company, HSIE Research

EBITDA to grow 8% CAGR over the FY25-28E



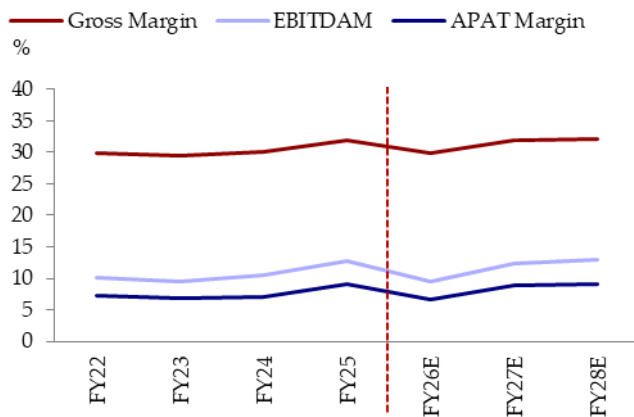
Source: Company, HSIE Research

APAT to witness 8% CAGR over the FY25-28E



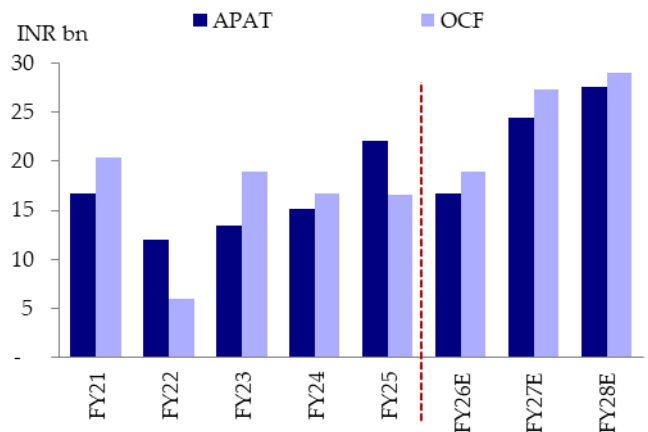
Source: Company, HSIE Research

Margins are projected to decline in FY26E but are expected to recover in FY27E/28E



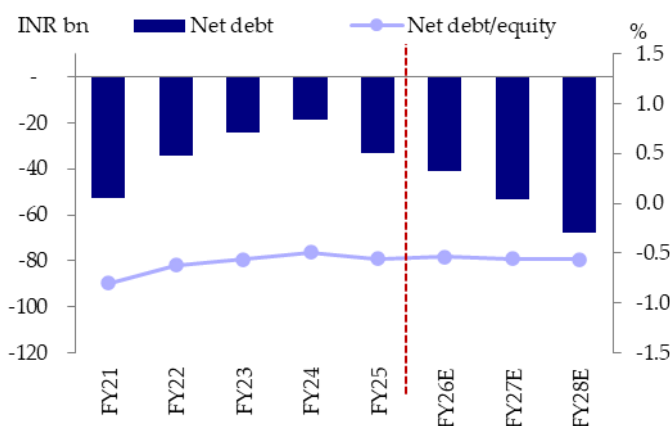
Source: Company, HSIE Research

Both APAT and OCF are expected to increase in upcoming periods



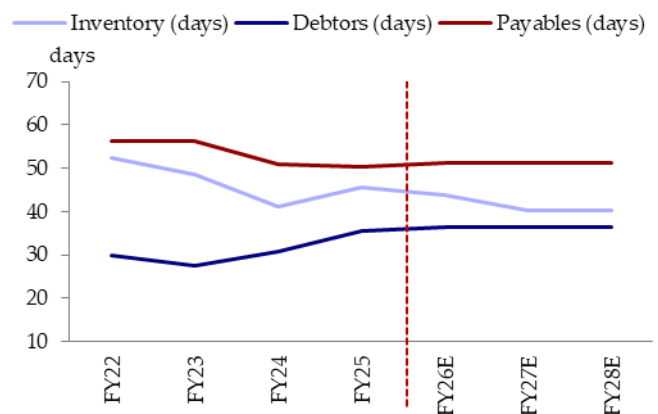
Source: Company, HSIE Research

Cash levels are projected to rise in FY27E/28E, maintaining the company's net cash position



Source: Company, HSIE Research

The company will sustain its lean working capital days



Source: Company, HSIE Research

Valuation summary of our consumer durable coverage universe

Company	Mcap (INR bn)	CMP* (INR)	TP (INR)	Valuation multiple ^	RECO	EV/EBITDA			P/E (x)			RoE %			Rev CAGR FY25-	EPS CAGR FY25-
						FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E		
Bajaj Electricals	45	396	415	28x	REDUCE	15.3	11.5	10.7	48.5	28.6	26.6	5.9	9.6	9.8	5.2	15.3
Crompton Consumer	143	225	370	32x	BUY	17.6	12.9	10.8	31.4	22.5	19.3	11.6	15.0	15.8	8.6	10.4
Eureka Forbes	102	525	830	*45x	BUY	29.8	23.5	18.0	49.0	39.1	30.7	4.6	5.5	6.6	14.3	27.4
Havells	810	1,290	1,765	50x	BUY	33.8	27.8	24.0	51.5	42.7	36.5	17.9	19.5	20.6	11.1	14.1
LG Electronics	950	1,408	1,545	38x	ADD	37.4	26.1	22.3	55.2	39.1	34.6	25.3	28.0	25.4	7.9	7.8
Orient Electric	38	176	250	32x	BUY	16.0	12.4	10.5	37.1	26.1	22.4	14.0	18.2	19.1	9.2	26.3
Symphony	57	843	1,220	30x	BUY	33.5	19.2	16.8	36.8	22.9	20.7	20.0	28.8	27.6	4.1	4.7
TTK Prestige	80	598	645	33x	REDUCE	26.0	21.0	17.9	44.8	35.4	30.7	9.5	11.3	12.2	8.8	13.2
V-Guard	138	323	370	35x	ADD	27.2	21.6	18.5	46.6	35.9	30.4	18.4	21.2	22.2	9.9	13.8
Voltas	443	1,379	1,430	SOTP – UCP 40X	ADD	59.3	33.7	28.1	83.8	46.1	37.8	8.1	13.8	15.2	8.6	12.7

Source: Company; HSIE Research ^Valuation is based on Mar-28E PE basis *Excluding non-cash intangible amortization and 50% of performance-based ESOP expenses. CMP as on 28th January 2026

Contents

Diversified product portfolio	6
Market share leader in fast-growth low-penetrated market.....	7
Strong brand equity	10
Innovation, parent support, and diverse product portfolio.....	11
Backward integrated, growing in-house manufacturing presence.....	13
Robust distribution and service network	15
B2B and AMC to gain traction	17
Industry	18
Management profile	29
Company background	31
Take on H1FY26 result	32
Steady and minimal working capital requirement	33
Valuation and recommendation	34
Key risks	35
Financial summary	36
Du Pont analysis	39
Financials	40

Diversified product portfolio

LG Electronics India Ltd (LG), a wholly owned subsidiary of LG Electronics Inc., South Korea, is one of India's leading consumer durables and electronics companies. Established in Jan 1997, the company has built a strong market presence across key product categories such as televisions, refrigerators, washing machines, and air conditioners.

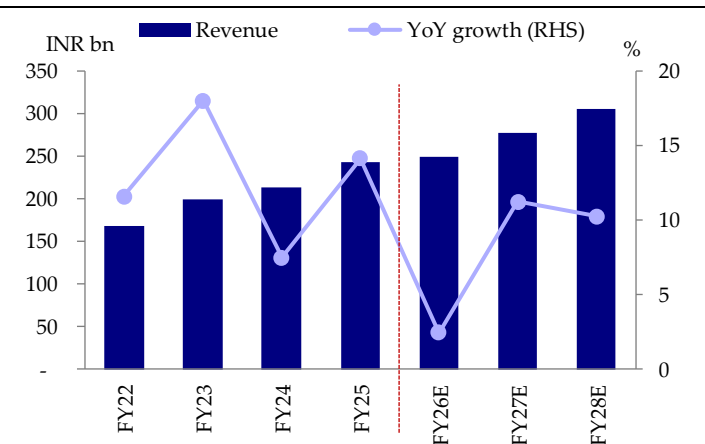
The company offers an extensive product portfolio that includes home appliances—such as refrigerators, washing machines, air conditioners, water purifiers, dishwashers, microwave ovens, air purifiers, vacuum cleaners, compressors, and ceiling fans—as well as home entertainment products like televisions, monitors, interactive displays, and other audio-visual systems.

In FY25, the company revenue stood at INR 244bn, up 14% YoY, with refrigerators contributing 27%, followed by air conditioners, washing machines, and televisions at 20-22% each, and the remainder from other electronics and appliances products. The exports comprise ~6% of revenue.



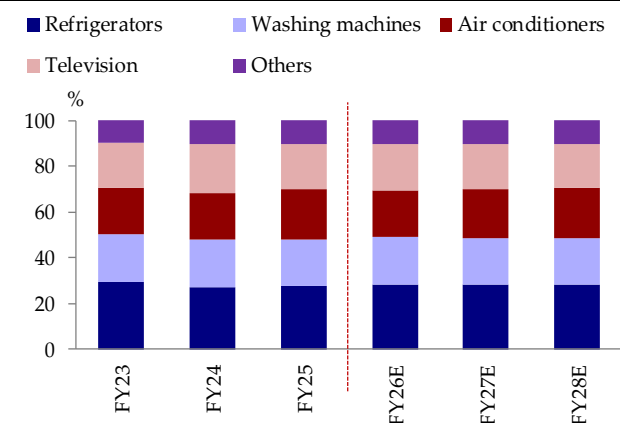
Source: Company, HSIE Research

Revenue to witness 8% CAGR over FY25-28E



Source: Company, HSIE Research

Product mix to remain broadly same over the FY25-28E



Source: Company, HSIE Research

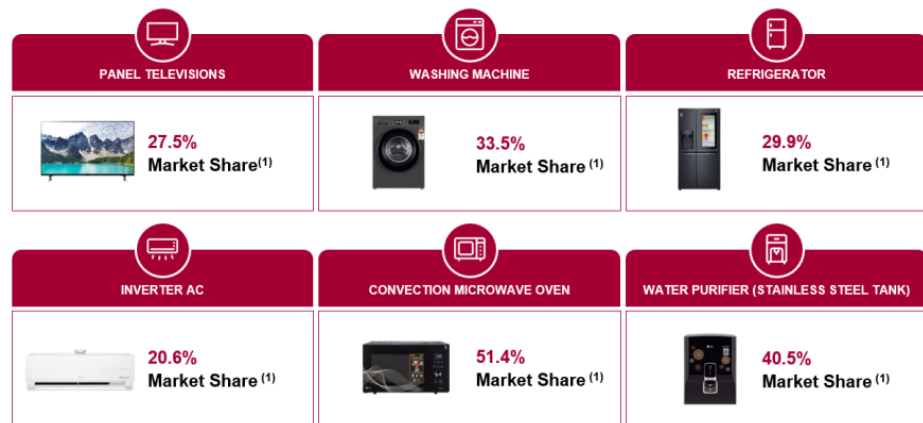
Market share leader in fast-growth low-penetrated market

Industry leader

LG holds the leading position in India's electronics and appliances market. The company dominates the market in washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves ovens. With the presence spanning over two decades in India, the company remains a key player in the country's electronics and home appliances space.

The company holds a strong offline market position with a 28% share in panel televisions, 34% in washing machines, 30% in refrigerators, 21% in inverter air conditioners, and 51% in convection microwave ovens, as of June-25. It continues to lead across both mass and premium segments, reflecting LG's robust portfolio strength, wide price coverage, and channel leadership.

LG's market share in key product categories in offline channel



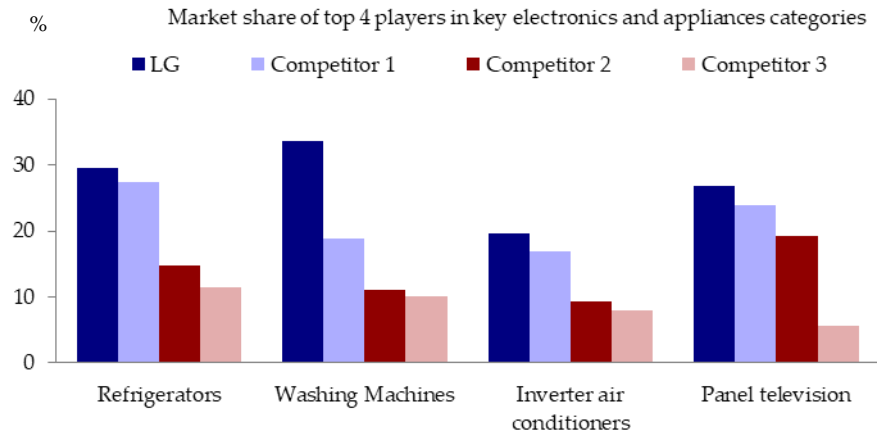
Source: LG RHP, Company, HSIE Research

LG holds leading market share in both mass and premium segments



Source: LG RHP, Company, HSIE Research

LG holds the leading position in offline channels across major electronics and appliance categories

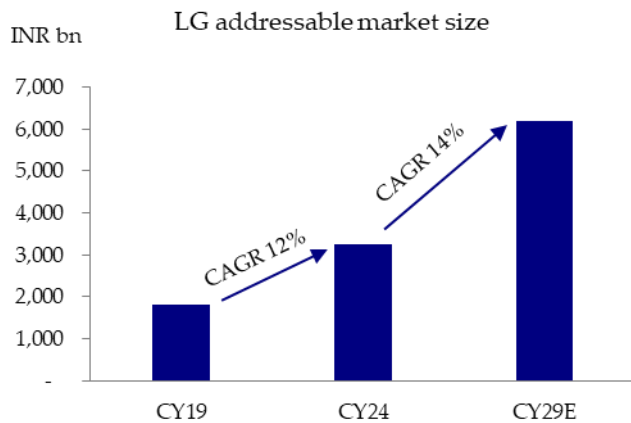


Source: LG RHP, Company, HSIE Research

Big addressable market, underpenetrated categories, large room for growth

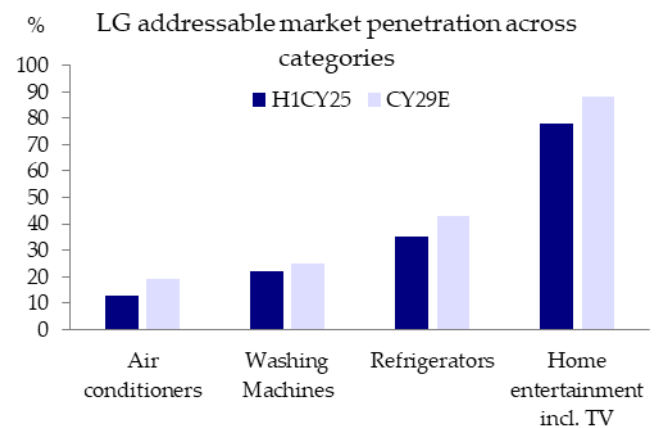
LG India's addressable market stood at ~INR 3.2trn in CY24 and ~INR 3.5trn (annualized) in H1CY25 and is projected to reach ~INR 6.1trn by CY29, implying 14% CAGR over CY24-29E. The market primarily comprises key categories such as air conditioners, washing machines, refrigerators, and televisions, with household penetration at 13%, 22%, 35%, and 78% respectively. With a sizeable and expanding market opportunity, coupled with relatively low penetration in core categories, LG India is well positioned to capitalize on strong growth prospects ahead.

Company addressable market to grow at 14% CAGR over the CY24-29E



Source: LG RHP, Company, HSIE Research

Penetration levels across the company's key product categories (ex-TV) remain low

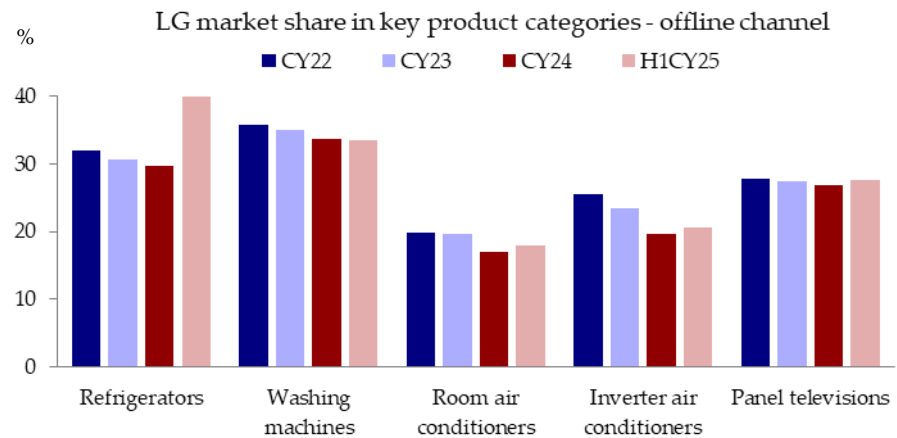


Source: LG RHP, Company, HSIE Research

A shift toward mid and premium segments drives market share loss

The company has experienced declines in market share from CY21 to CY24 across refrigerators, washing machines, panel televisions, and inverter ACs. In refrigerators and washing machines, this stemmed primarily from the company's strategic decision to optimize its product portfolio by exiting entry-level segments—which constitute the largest share of the overall market—to maximize profitability. Similarly, for panel televisions, the drop resulted from a focus on profit maximization and portfolio optimization, avoiding aggressive pursuit of the basic entry segment; while in room and inverter ACs, it arose from inverter market rationalization amid rising competition from new entrants, along with LG's absence in categories like the on/off segment.

LG's market share in key product categories in offline channel – add



Source: LG RHP, Company, HSIE Research

Strong brand equity

LG's market leadership underscores its strong brand equity in India. Building on the heritage of the global LG brand, the company has established a commanding presence in the home appliances and consumer electronics space. It continues to rank among the top players (by value, in the offline channel) across key categories including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwave ovens. This leadership reflects the brand's deep consumer trust, anchored in its consistent emphasis on product quality and reliability. The company further leverages innovation, research expertise, and product development capabilities of its Korean parent, enabling it to introduce technologically advanced, high-quality products that cater specifically to Indian consumer preferences. LG's extensive distribution and service network further enhance its pan-India reach and after-sales experience.

The company continues to invest in targeted marketing to strengthen the "LG" brand in India, blending television, print, digital media, in-store experiences, and on-ground activations timed to key festivals. Marketing efforts extend to distribution channels via roadshows, signage, and trained sales promoters (9,463 as of June 2025), bolstered by regional influencers and product-specific teams—such as 'Health Hygiene Experts' for cooking demos and 'X-Boom Ambassadors' for audio promotions—to enhance outreach and consumer experience.



Source: LG RHP, Company, HSIE Research

Innovation, parent support, and diverse product portfolio

Benefiting from the LG Group's robust R&D ecosystem

LG benefits from being part of the global LG Group, which provides advanced R&D, and brand credibility, access to innovative technologies and commitment to quality, positions it as a trusted brand in India and to introduce new and innovative products for its consumers in India, and where necessary, tailor products to cater to Indian consumer preferences and local requirements.

Wide product range across price points

LG has a wide range of products across price points to cater to different classes of customers. The company's product portfolio includes refrigerators, washing machines, air conditioners, television, audio devices, water purifiers, air purifiers, dishwashers, microwave ovens, compressor and motors in B2C category and system air conditioners, information technologies and information displays in B2B categories.

The company has presence in various price segments across product categories



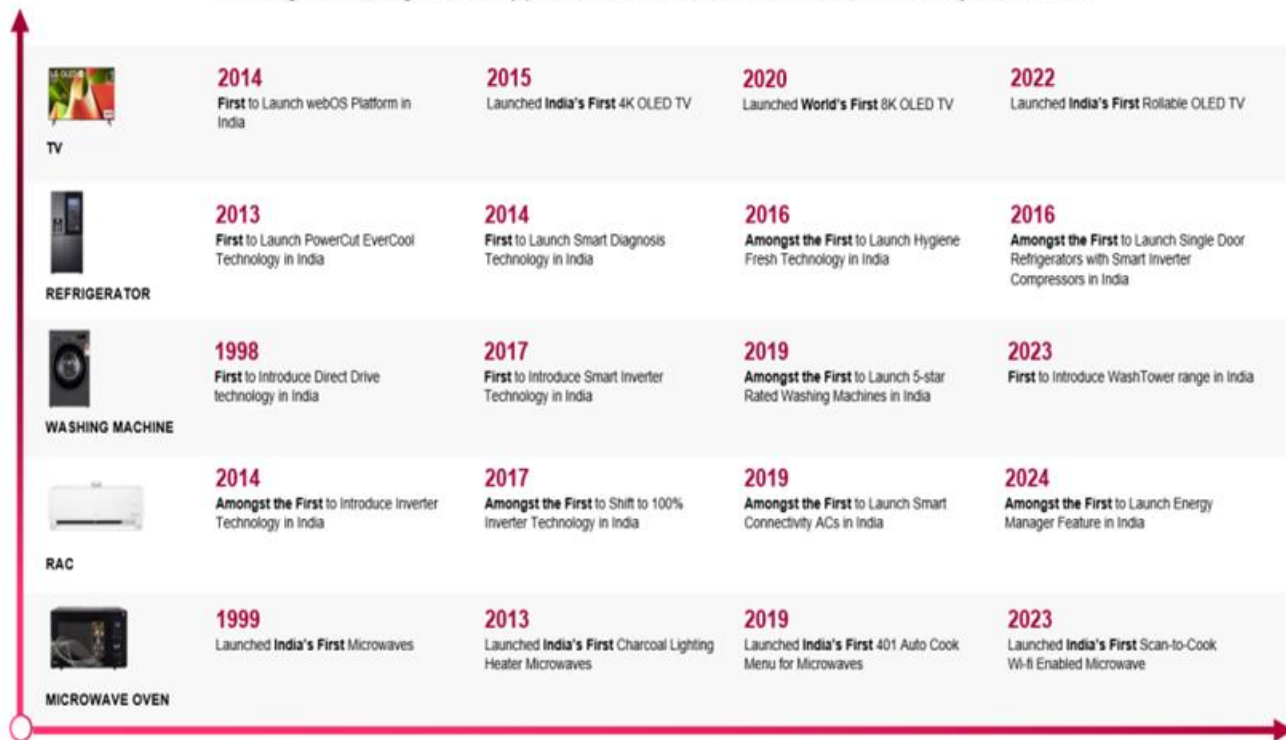
Source: LG RHP, Company, HSIE Research

Introduced several industry-first products in India

The company leverages the LG Group's ecosystem—spanning R&D, manufacturing, and automation best practices—to enhance its operational efficiency and drive innovation, consistently introducing first-in-industry products. It was among the earliest players to launch inverter air conditioners in India in 2014 and became the first and only brand to fully transition to inverter technology by 2017. Currently, ~80% of air conditioners sold in India operate on inverter technology.

LG's history of innovation enables it to consistently launch leading products

Demonstrated Track Record of Introducing Several 'Industry-Firsts' Amongst Leading Home Appliances and Consumer Electronics Players in India



Source: LG RHP, Company, HSIE Research

Backward integrated, growing in-house manufacturing presence

LG had one of the largest in-house production capacities (excluding mobile phones) among leading home appliances and consumer electronics players in India, as of June 2025. The company has two manufacturing units in Noida (the Noida Manufacturing Unit) and Pune (the Pune Manufacturing Unit). As of FY25, the company had an installed capacity of 14.5mn products (Noida plant 7.6mn, Pune plant 6.9mn), with overall capacity utilization standing at 77% (Noida plant 81%; Pune plant 73%).

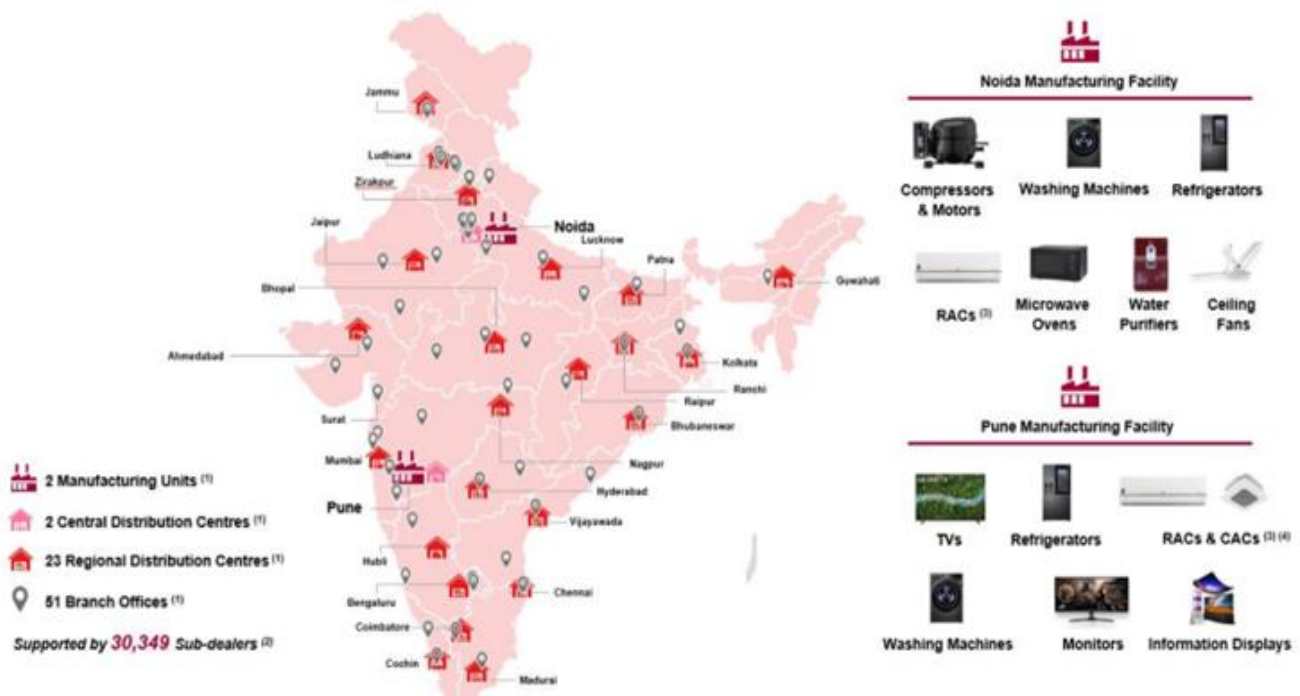
Products manufactured at the Noida manufacturing unit include refrigerators, washing machines, room air conditioners, microwave ovens, compressors, water purifiers, and ceiling fans. Products manufactured at the Pune manufacturing unit include refrigerators, washing machines, room air conditioners, commercial air conditioning systems, and televisions.

Capacity expansion on the way

The company has announced a third manufacturing unit in Sri City, Andhra Pradesh, to expand capacity and gain strategic proximity to the South market, which accounts for ~38-40% of revenue. This expansion involves an expected INR 50bn investment, funded through internal accruals, operational in phases by CY30. The project involves a 100% capital subsidy realizable over 20 years from production commencement in a phased manner. The facility will become operational in phases, starting with air conditioners by Q3FY27, compressors by Q4FY27, and subsequently washing machines and refrigerators.

LG has Pan-India presence through its vast distribution centers and branch offices

Manufacturing and Pan-India Distribution Presence



Source: LG RHP, Company, HSIE Research

Company has two manufacturing plant across India

State-of-the-art Manufacturing Units



Source: LG RHP, Company, HSIE Research

Backward integration and local sourcing to gain traction

In FY25, the company sourced 54% of its raw materials domestically, up from 51% in FY23, with remaining imports primarily from Korea (22% share) and China (11% share). The company targets ~70% localization rate over next 3-5 years, with 2-3% improvement each year.

It employs a mix of in-house manufacturing, third-party outsourcing (OEM), and imports of finished goods, with manufactured goods comprising 86% of sales and traded goods 14%. For entry-level refrigerators, washing machines, window air conditioners, and small-size televisions—it supplies blueprints, specifications, and key materials to Indian third-party suppliers for production. Remaining products, including audio systems, vacuum cleaners, dishwashers, and air purifiers are imported from other LG Group member companies.

In addition to manufacturing finished products, the company produces several key components, such as compressors and motors, at its Noida and Pune manufacturing units to enhance backward integration and mitigate risks of component shortages. It has also begun producing premium-range items, starting with OLED TVs and side-by-side refrigerators, at the Pune plant from FY25. This approach provides greater control over the product development process, product quality, costs, and supply and delivery timelines. The company's manufacturing units are flexible and employ automation technologies. These units feature assembly lines capable of producing different products on a single line, enabling quick adaptation to consumer demands.

Robust distribution and service network

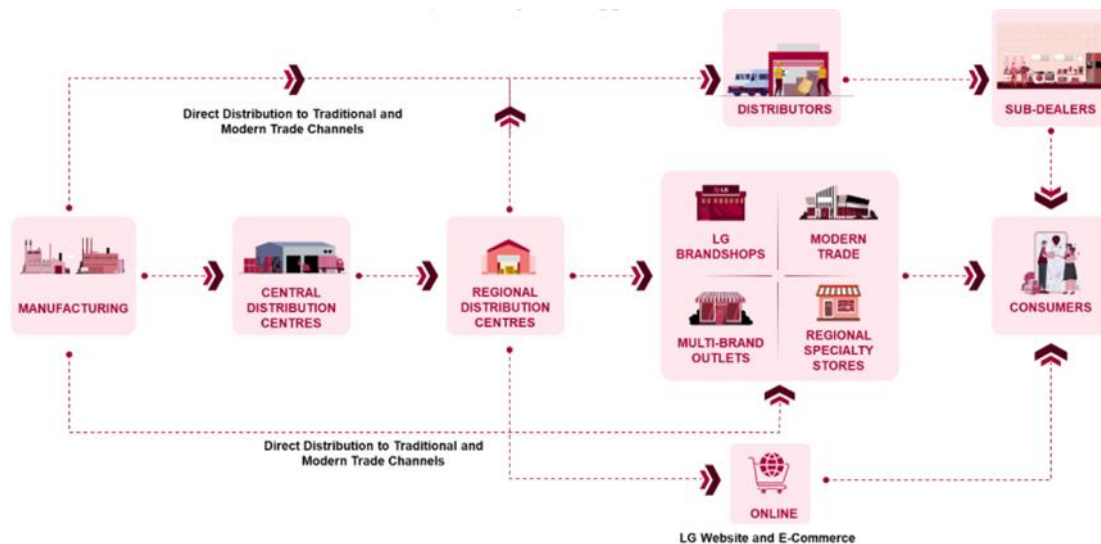
The company has one of the largest distribution networks among home appliance and consumer electronics players in India. As of June 2025, its network covered both urban and rural markets through ~35,640 B2C touchpoints. In addition, it serves customers through a dedicated base of ~463 B2B trade partners and a team of ~286 employees focused on customer service and after-sales support.

LG operates through a diversified channel mix comprising both traditional and modern trade formats. As of June 2025, the company's distribution network includes ~777 exclusive brand outlets (LG BrandShops), ~1,385 modern trade touchpoints, and over 30,000 dealers and distributors across the country, underscoring its robust pan-India presence.

Complementing its extensive distribution network, the company maintains one of India's largest after-sales service networks among leading home appliance and consumer electronics players. It delivers installation, repair, and maintenance services via 1,006 service centers across 633 cities in urban and rural markets, supported by 13,368 engineers and four call centers.

The network comprises (i) LG Convenience Stores (LGCs), exclusive centers directly operated by the company, and (ii) Exclusive Service Centres (ESCs), third-party operated centres serving only company consumers. Warehouses nationwide supply spare parts to LGCs and ESCs, with some LGCs doubling as spare parts hubs. Same-day installation services underscore commitment to customer satisfaction. At each LGC and ESC, engineer teams provide consumer services. LGC engineers are deployed via third-party agencies (non-employees), while ESC engineers are directly engaged by operators.








Company manufacturing and supply value chain



Source: LG RHP, Company, HSIE Research

LG has a diversified channel presence

Distribution Footprint with Balanced Mix of Physical and Digital Channels

	LG BrandShops	Modern Trade Outlets	Multi-Brand Outlets	Regional Specialty Stores	Distributors & Sub-dealers	B2B	Online
Overview							
	Offline stores which sell LG products exclusively	Organized stores including supermarkets, hypermarkets & large-format stores	Traditional outlet stores that offer products from various brands	Traditional offline stores that focus on a narrow product line	Wholesale distributors who purchase products in bulk and resell in smaller quantities	Dedicated distributors and dealers	LG Website and 2 e-commerce marketplaces
Number of B2C Touch Points / B2B Trade Partners ⁽¹⁾	777	1,385	1,134	1,615	377 Distributors 30,349 Sub-dealers ⁽²⁾	463 B2B Trade Partners	3

Source: LG RHP, Company, HSIE Research

Company distribution channel network

Particulars	2023	2024	2025	June, 2025
LG BrandShops	814	780	800	777
Modern trade	1,034	1,224	1,369	1,385
Online business				
LG website	1	1	1	1
E-commerce	2	2	2	2
Traditional channels				
Distributors and sub-dealers	30,563	31,275	31,259	30,726
Distributors	429	417	412	377
Sub-dealers	30,134	30,858	30,847	30,349
Multi-brand outlets	1,341	1,272	1,221	1,134
Regional specialty stores	1,119	1,279	1,578	1,615
Total	34,874	35,833	36,230	35,640
Total B2B trade partners	519	516	576	463

Source: LG RHP, Company, HSIE Research

Company service network

Particulars	2023	2024	2025	June, 2025
LG centers	55	56	58	58
Exclusive service centers	872	885	953	948
Total service touch points	927	941	1,011	1,006
Spare warehouses	10	10	10	10
Engineers deployed at LGCs and ESCs	11,195	12,081	13,571	13,368

Source: LG RHP, Company, HSIE Research

B2B and AMC to gain traction

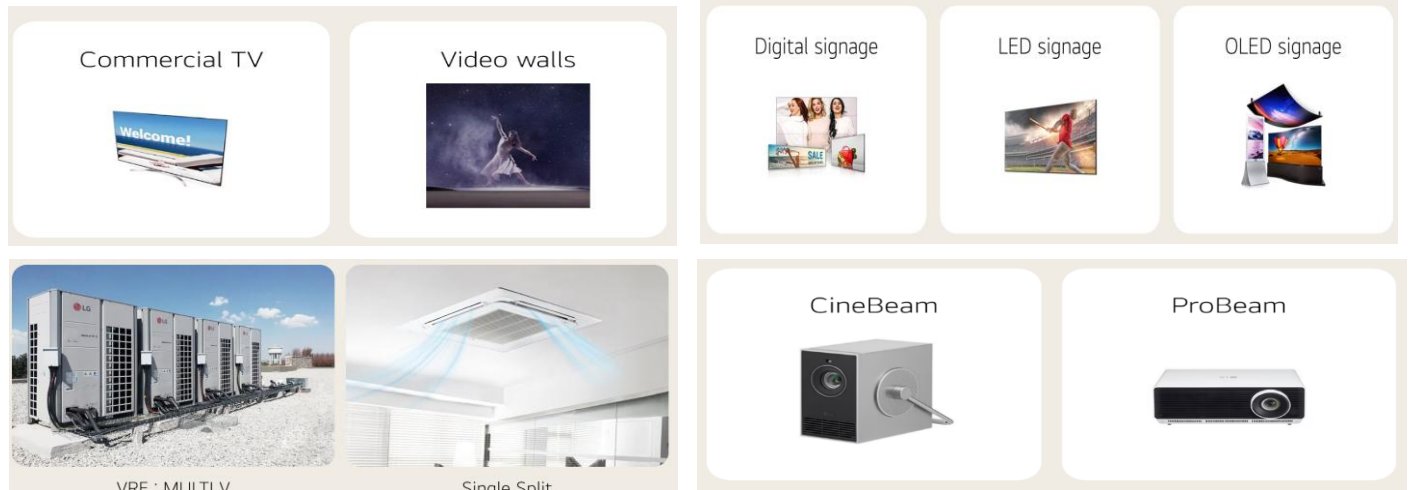
Leveraging its strong consumer brand and extensive product range, LG expanded its presence into the B2B market across three verticals: information technologies (covering monitors including medical monitors), information display (covering signage, interactive display boards, LED boards), and commercial air conditioning systems (HVAC).

In H1FY26, B2B business contributed ~6% of revenue, majorly driven by IT, information display, and HVAC. The company intends to deepen its B2B business and introduce additional revenue streams. The overall B2B market, valued at INR 515bn in CY24, is projected to grow at a five-year CAGR of ~14% from CY24 to CY29, reaching INR 970bn by CY29. The company also plans to strengthen its AMC business for B2C and B2B consumers, particularly HVAC servicing, in a market valued at INR 55bn in CY24, projected to grow at 14% CAGR to INR 105bn by CY29, driven by demand for appliance longevity.

The company aims to leverage LG Group's global technology to expand its product portfolio, meet specialized needs of high-value industries like hospitality, and address demand drivers such as advanced HVAC solutions fuelled by healthcare, education, government facilities, IoT/smart buildings, commercial real estate, and sustainability focus. It is expanding offerings to include HVAC, commercial information displays, commercial washing machines, LED displays, and electronic blackboards, emphasizing superior performance, high energy efficiency, building management system integration, and multi-vertical compatibility.

The company leads multiple technological innovations for B2B products in India, including being the first to introduce transparent OLED-based information display solutions in 2020 and OLED gaming monitors in 2022. The company leverages deep consumer insights from its long operating history and direct feedback from distribution and service networks to tailor products for Indian consumers.

Company B2B product range include commercial TV, information display, HVAC



Source: LG RHP, Company, HSIE Research

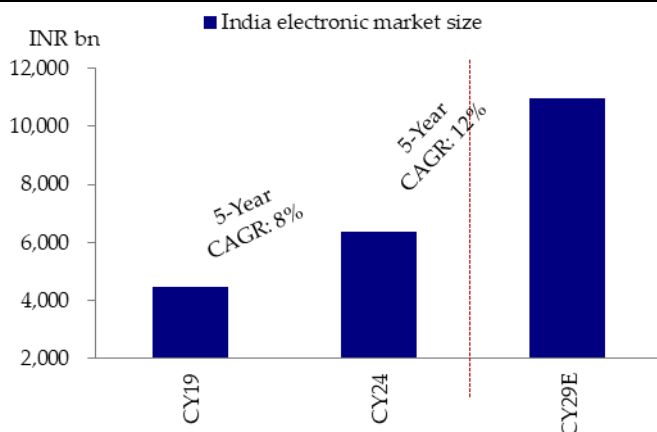
Industry

India's electronics boom

With a large population and growing demand for electronics and appliances, India's electronics and appliances market has witnessed substantial growth in recent years. Valued at ~INR 6.4trn in CY24, the market recorded a 7% CAGR during CY19–24 and is projected to expand further to ~INR 11trn by CY29, implying an accelerated 12% CAGR. In volume terms, the industry sold ~495mn units across B2C categories in CY24, which is expected to rise to ~660mn units by CY29, reflecting a 6% CAGR.

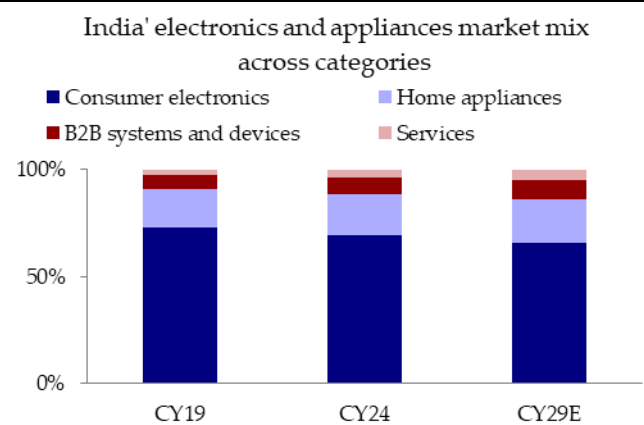
The electronics and appliances market is broadly categorized into four segments: home appliances (including air conditioners, refrigerators, washing machines, kitchen and small appliances), consumer electronics (covering televisions, mobile phones, computers, peripherals, personal care and other devices), the B2B segment, and the services segment. As of CY24, the consumer electronics segment accounts for the largest share of the total electronics and appliances market at ~INR 4.4trn (69% share), followed by home appliances at ~INR 1.2trn (19% share), B2B devices and systems at ~INR 0.5trn (8% share), and the services segment contributing the remaining ~INR 0.2trn (4% share).

India's electronics and appliances market size to witness 11% CAGR over the CY24-29



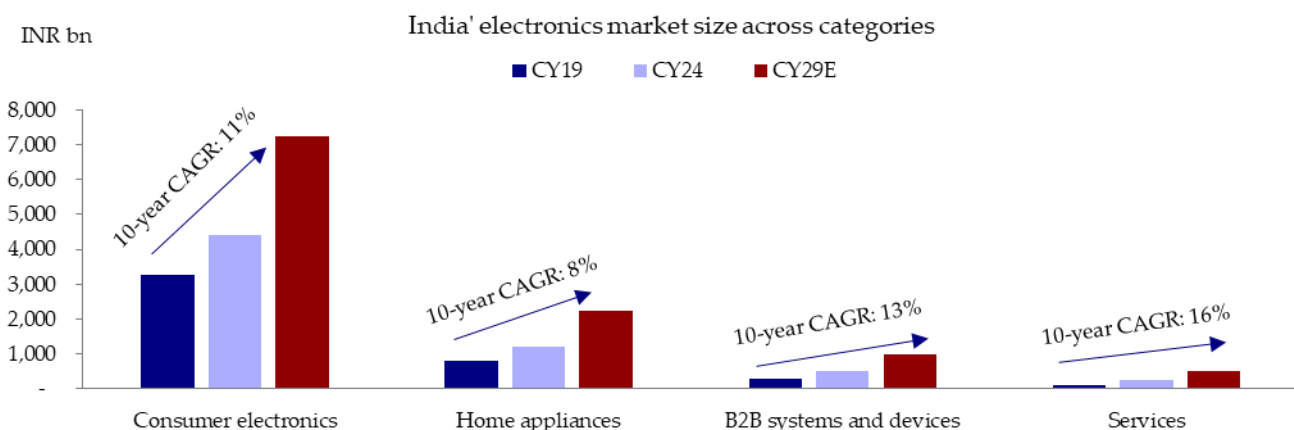
Source: LG RHP, Company, HSIE Research

Consumer electronics segment constituents 2/3rd of total electronics and appliances market



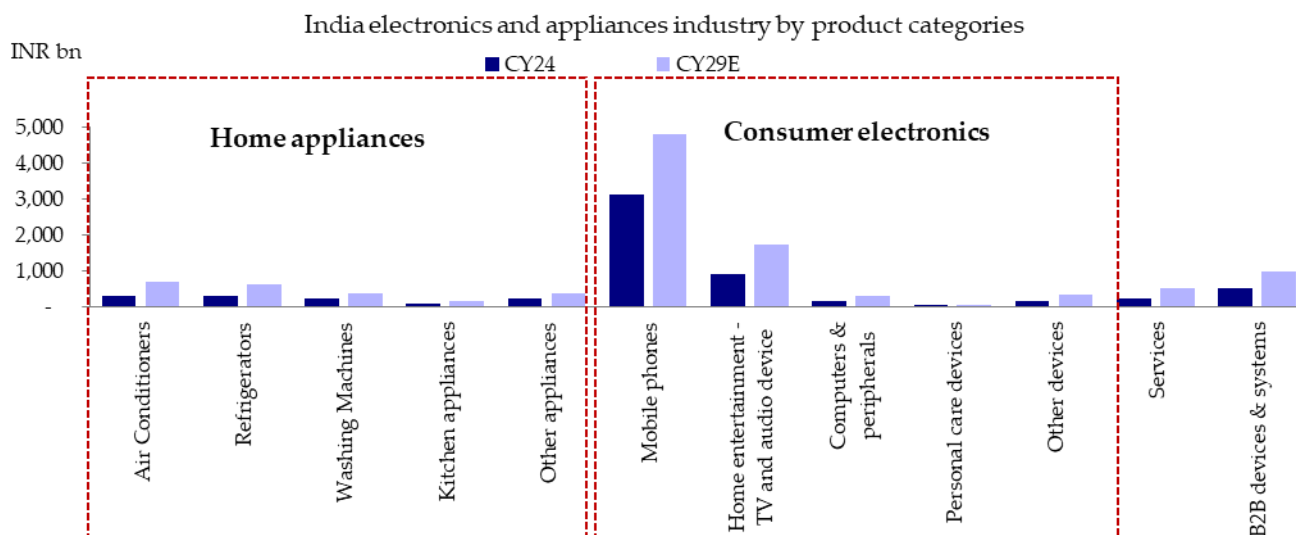
Source: LG RHP, Company, HSIE Research

Healthy growth is expected across all electronics and appliances categories



Source: LG RHP, Company, HSIE Research

India's electronics and appliances industry by product categories



Source: LG RHP, Company, HSIE Research

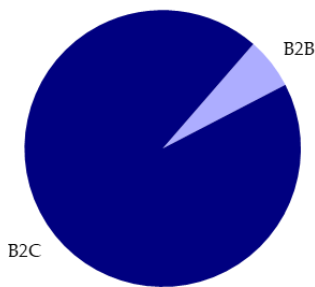
B2C constitutes the majority (~92%) of the electronics sector, while B2B is 8% of the mix. The B2C or consumer segment benefits from strong household consumption, supported by trends in premiumization, rising penetration, and replacement demand, particularly across urban and semi-urban regions. This segment includes a wide range of home appliances and consumer electronics such as refrigerators, washing machines, televisions, mobile phones, and various smaller household gadgets.

The B2C segment is largely dominated by the mass category, which accounts for 51% of the market as of CY24, followed by the mid segment at 32% and the premium segment at 17%. Going forward, the mid and premium segments are expected to increase their shares to 36% and 27%, respectively, while the volume segment is projected to decline to 37% by CY29.

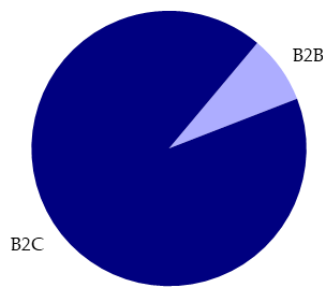
The B2B segment, which contributes ~8% of the market, caters to commercial and institutional customers, offering products such as commercial ACs, computers and peripherals, and specialized display systems for offices, hospitals, retail spaces, and government facilities. In this segment, factors such as product reliability, energy efficiency, and long-term cost effectiveness play a key role in driving demand.

B2B share in electronics is expected to increase, going forward

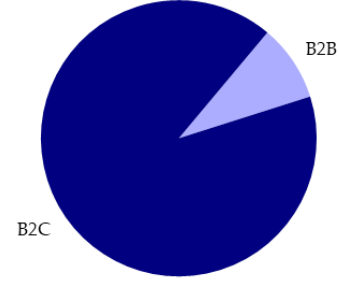
India' electronics and appliance market B2B and B2C mix - CY19



India' electronics and appliance market B2B and B2C mix - CY24



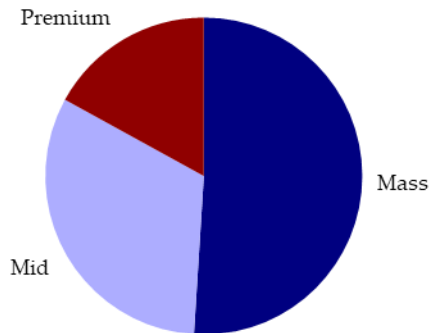
India' electronics and appliance market B2B and B2C mix - CY29E



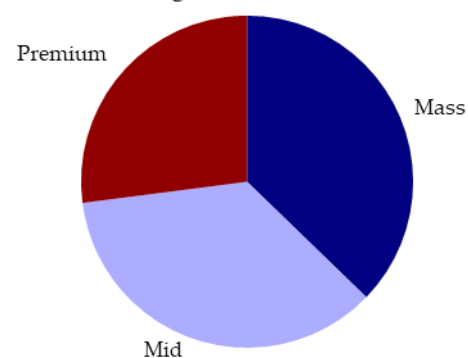
Source: LG RHP, Company, HSIE Research

The mass segment currently holds the largest share of the B2C electronics and appliances market; however, the share of mid and premium segments is expected to increase, going forward

India' B2C electronics market mix across price segmentation - CY24



India' B2C electronics market mix across price segmentation - CY29E

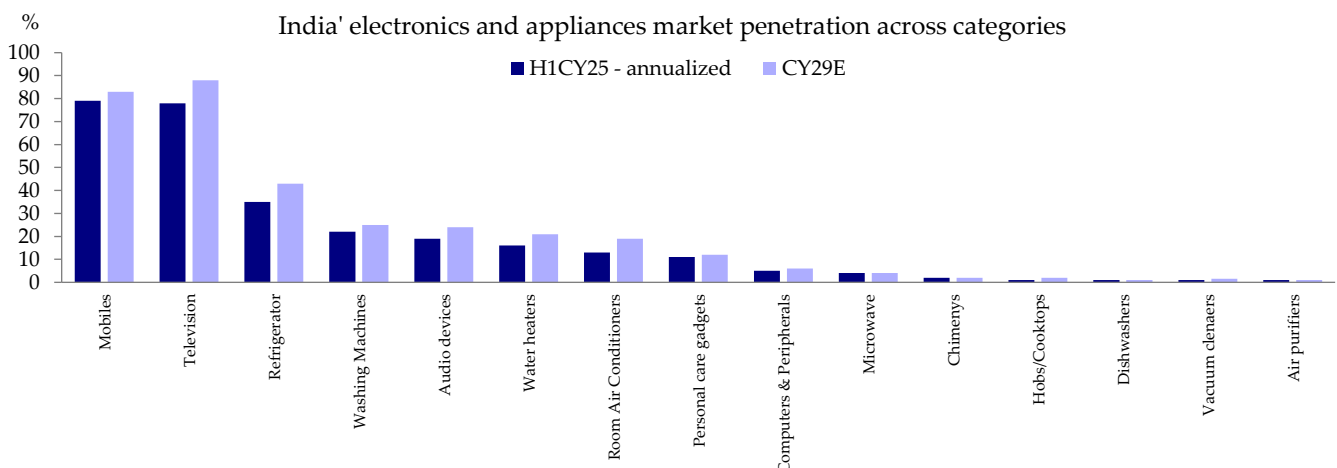


Source: LG RHP, Company, HSIE Research

Lower penetration, large room for growth

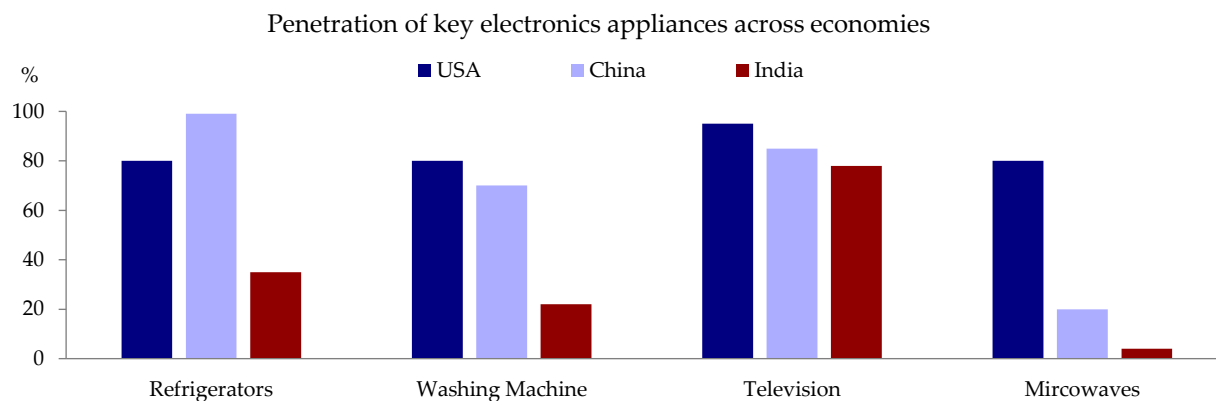
India's penetration levels for electronic appliances remain low compared to global averages. Despite steady progress in recent years, the country continues to be significantly under-penetrated relative to other emerging economies, primarily due to its lower per capita income. However, as disposable incomes rise, penetration is expected to increase accordingly, leading to an expansion in the total addressable market—similar to the growth trajectory observed in countries like China.

Excluding mobile phones and televisions, penetration in other electronics categories remains low



Source: LG RHP, Company, HSIE Research

India's penetration in electronics and appliances key product categories remains low vis-à-vis other economies



Source: LG RHP, Company, HSIE Research

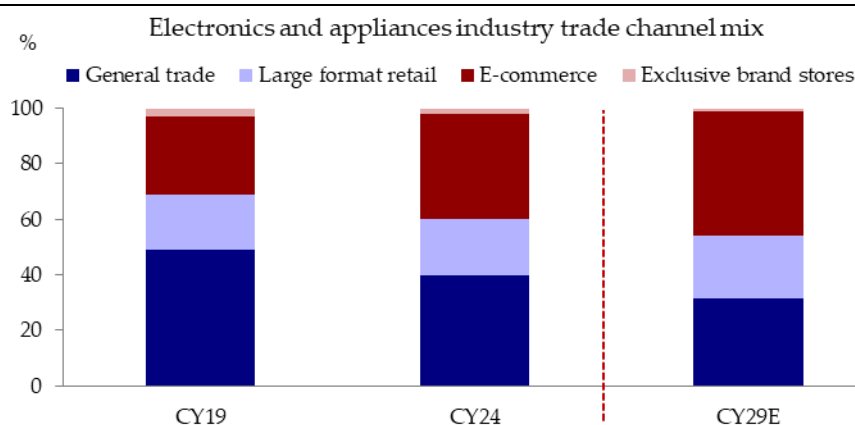
Industry channel mix

India's electronics and appliances market is undergoing a significant transformation as distribution channels evolve to align with changing consumer preferences and the dynamic retail landscape.

As of CY24, the general trade segment holds the largest share of the market at ~40%. General trade stores maintain their dominance in semi-urban and rural areas, supported by easier accessibility. The online channel accounts for about ~38% of the market, driven by deeper internet penetration and growing consumer demand for convenience. Competitive pricing, exclusive online promotions, and festival-driven offers have further accelerated e-commerce adoption. Modern trade contributes ~20% of the market, comprising large-format retail stores and multi-brand outlets. The remaining ~2% comes from exclusive brand stores.

Although online channels are expanding rapidly, general trade is expected to remain relevant due to its strong presence in semi-urban and rural markets. By CY29, the share of general trade is projected to moderate to ~32%. In contrast, the online channel is anticipated to lead distribution by CY29, capturing nearly 45% of the total market. The modern retail channels, particularly large-format stores, are poised to gain share—rising to ~23% by CY29—driven by benefits such as product comparison, expert consultation, and enhanced in-store service.

E-commerce trade mix to improve for electronics and appliances industry going further

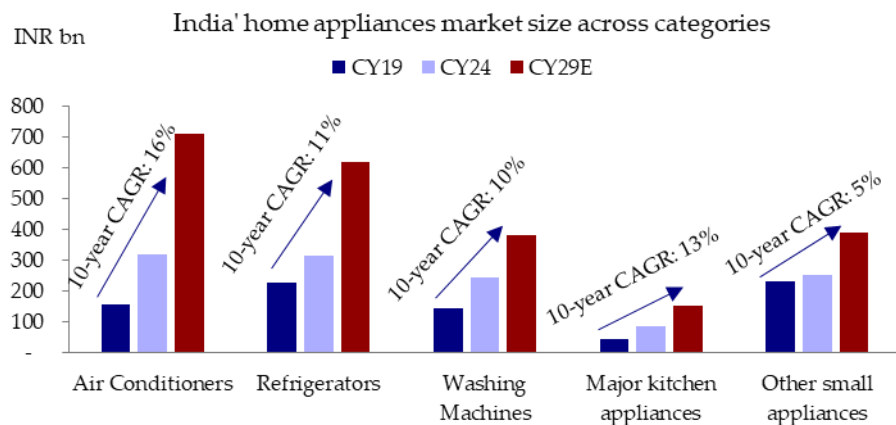


Source: LG RHP, Company, HSIE Research

Home appliances industry

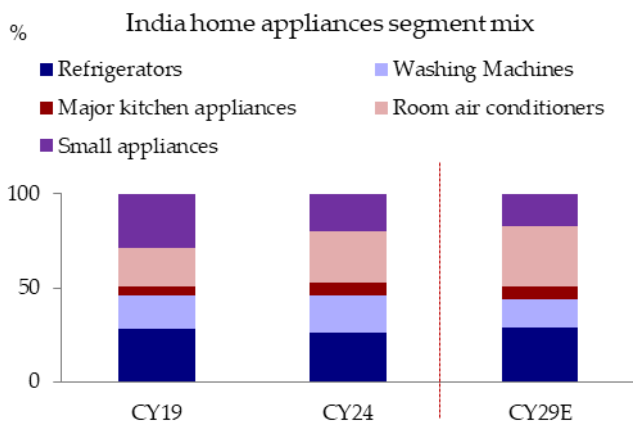
- The home appliances market in India, constituting ~19% of the overall electronics and appliances market in CY24, is expected to sustain steady growth, supported by favourable macroeconomic drivers and rising consumer preference for premium and energy-efficient products. The segment, valued at ~INR 1.2bn in CY24 (up from ~INR 800bn in CY19, implying a 9% CAGR), is projected to expand to ~INR 2.3bn by CY29, reflecting an accelerated CAGR of ~13% over CY24-29.
- Within the segment, air conditioners and refrigerators each contribute ~26% of CY24 revenues, followed by washing machines (~20%), major kitchen appliances – including dishwashers, microwaves, water purifiers, chimneys, hobs, and built-in kitchens – at ~7%, and the remaining ~21% from small appliances such as water heaters, vacuum cleaners, air purifiers, and other minor cooking/heating appliances. All key categories continue to witness robust demand momentum, driven by increasing household penetration, urbanisation, and lifestyle upgrades.
- The market remains predominantly organized, with ~2/3rd of category sales contributed by formal players, benefiting from a sustained shift towards online and large-format retail channels.

India's home appliances market to witness healthy growth across all categories



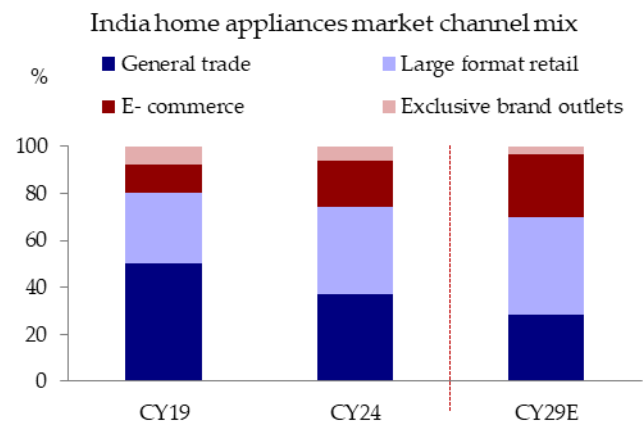
Source: LG RHP, Company, HSIE Research

In home appliance segment, share of room air conditioners to increase, going forward, while share of small appliances to decrease



Source: LG RHP, Company, HSIE Research

In home electronics market channel mix, share of large format retails and ecommerce to increase, while general trade and exclusive stores share to decrease



Source: LG RHP, Company, HSIE Research

RAC industry: Chilling with red-hot growth

India's RAC industry has witnessed strong growth over the past few years. With penetration still in low double digits, ~13% in H1CY25 (annualized), the segment offers substantial headroom for expansion. Demand is being fuelled by multiple structural and cyclical drivers such as rising global temperatures, recurring heat waves across the country, improving affordability, wider availability of financing options, and growing disposable incomes.

As of CY24, India's RAC market (B2C) was estimated at INR 320bn, up from INR 155bn in CY19, reflecting a robust ~16% CAGR. The growth trajectory remains positive, with the market projected to reach INR 710bn by CY29, implying a higher CAGR of ~17%.

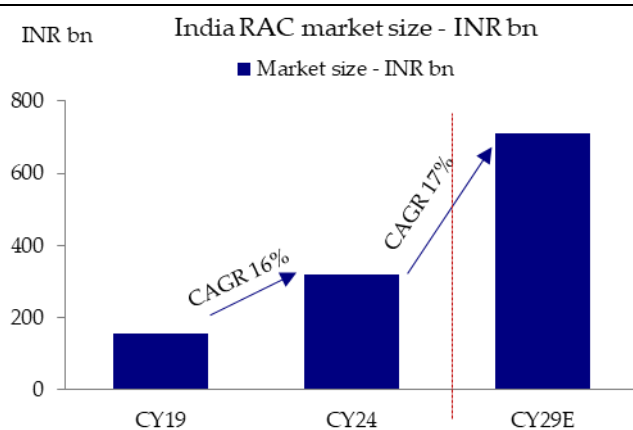
In volume terms, the industry sold ~11mn units in CY24, up from ~6mn units in CY19, and the market is projected to reach ~19mn units by CY29. By price segmentation, the volume/mass segment accounts for ~50% of sales, followed by the mid segment at ~35% and the premium segment comprising the remaining ~15%.

There is a shift toward inverter air conditioners (~75-80% of RAC market), driven by consumer preferences for models that provide superior cooling performance and quieter operation. Inverter units are expected to capture a significant market share due to their long-term cost savings and advanced technology, appealing to consumers looking for higher-quality appliances. Approximately eight out of ten air conditioners sold in India are based on inverter technology in 2025.

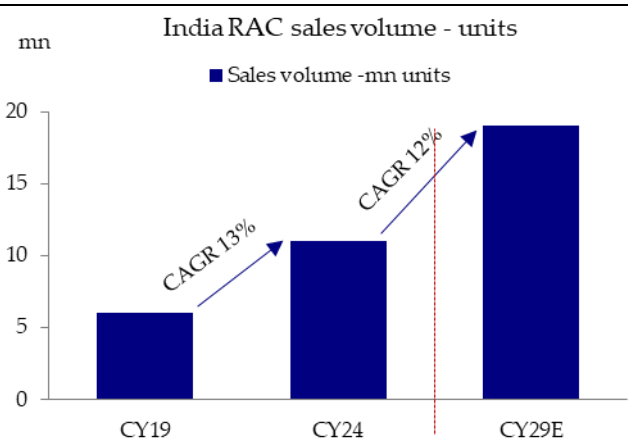
With increasing awareness of energy consumption and rising electricity costs, demand is growing for 5-star rated, energy-efficient air conditioners, including advanced inverter units, especially given the environmental impact of air conditioners, which contribute ~4% of global GHG emissions and with cooling demand making up ~20% of energy consumption requirements for buildings. Government initiatives such as subsidies on energy efficient appliances and regulations around minimum energy performance standards (MEPS) have also amplified this trend, making energy efficiency a priority for consumers who seek to reduce utility costs and environmental impact.

The India B2C RAC industry is projected to achieve a 17% CAGR in value terms over CY24-29E...

...while registering a 12% CAGR in volume terms



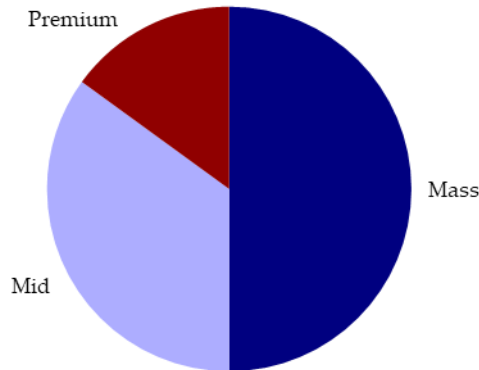
Source: LG RHP, Company, HSIE Research



Source: LG RHP, Company, HSIE Research

The mass segment currently constitutes the largest share of the RAC market...

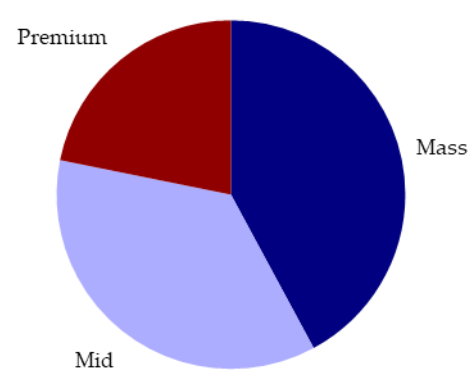
RAC industry price segmentation mix CY24



Source: LG RHP, Company, HSIE Research

...however, the share of mid and premium segments is expected to improve going forward

RAC industry price segmentation mix CY29E



Source: LG RHP, Company, HSIE Research

Refrigerators Industry

India's refrigerators market is witnessing robust growth, driven by rising penetration into untapped segments. Supported by improved distribution networks and growing affordability, household penetration is estimated to increase from ~35% in H1CY25 (annualized) to ~43% by CY29.

The expanding share of organized large-format retail and online channels is reshaping distribution dynamics and accelerating growth across price segments. Large-format stores accounted for ~40% of sales in H1CY25 (annualized) and are projected to capture 44-46% by CY29P. Meanwhile, e-commerce contributed ~19% of sales in H1CY25 (annualized) and is expected to reach 24-26% by CY29, enhancing accessibility for a broader consumer base.

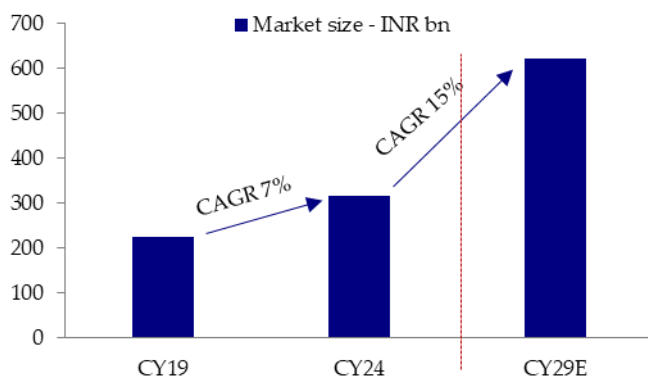
As of CY24, India's B2C refrigerator market stood at ~INR 315bn, up from ~INR 225bn in CY19, reflecting ~7% CAGR. The market is expected to accelerate further, growing at a ~15% CAGR during FY24-29 to reach ~INR 620bn.

In volume terms, industry sales grew from 12mn units in CY19 to 15mn units in CY24, implying a 5% CAGR, and are expected to reach 20mn units by CY29, reflecting a 6% CAGR.

By price band, the category remains predominantly mass-segment driven, which accounts for ~50% of the market, followed by the mid segment at ~32%, with the premium segment comprising the remaining ~18%.

The India refrigerator B2C market is expected to register double-digit growth in value terms...

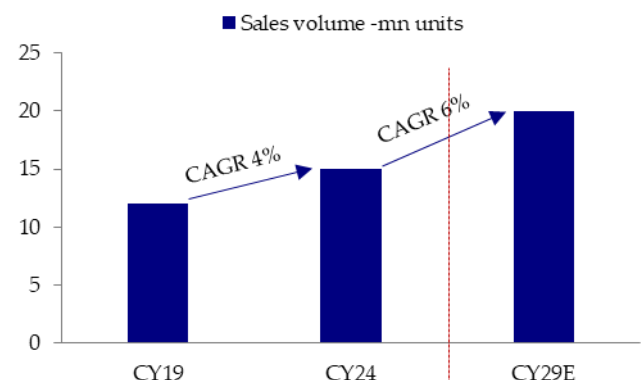
India refrigerators market size B2C- INR bn



Source: LG RHP, Company, HSIE Research

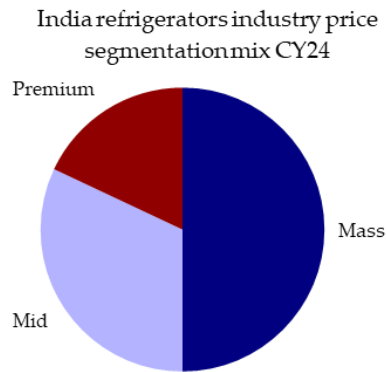
...however, volume growth will remain in single digits

India refrigerators market size volume - units



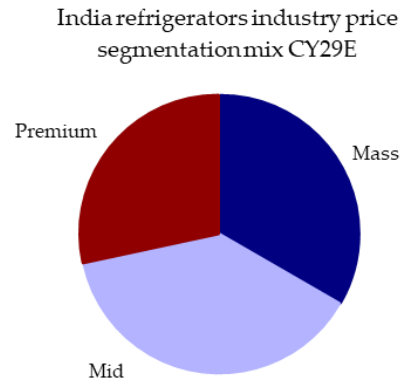
Source: LG RHP, Company, HSIE Research

The mass segment currently constitutes the largest share of the refrigerator market



Source: LG RHP, Company, HSIE Research

However, going forward, mid and premium share will increase



Source: LG RHP, Company, HSIE Research

Washing machine industry

India's washing machine market is witnessing strong expansion, driven by rising penetration into underserved regions. Penetration rates are projected to rise from ~22% in H1CY25 (annualized) to ~25-26% by CY29. This growth is supported by improved distribution networks, increasing affordability, and the growing demand for convenience in semi-urban and rural areas.

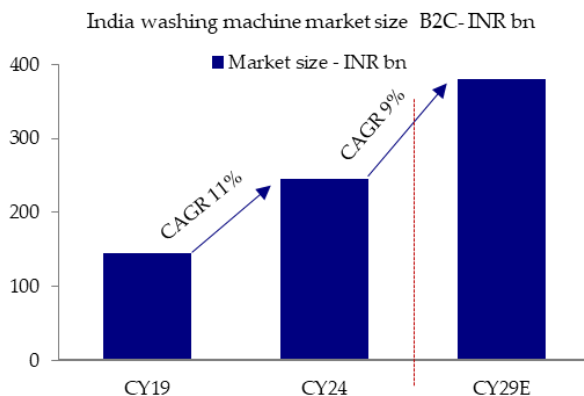
As of CY24, India's washing machine B2C market expanded from INR 145bn in CY18 to INR 245bn in CY24, registering an 11% CAGR. The market is expected to grow at a ~9% CAGR over CY24-29E, reaching INR 380bn. In volume terms, sales rose from 8mn units in CY19 to 12mn units in CY24, indicating an 8% CAGR, and are projected to reach 16mn units annually by CY29, at a 6% CAGR.

The Indian washing machine industry remains diversified across price segments, with the mass segment accounting for ~42% of the market, followed by mid-tier at 30%, and the premium segment commanding a notable 28% share.

Evolving distribution channels are reshaping market dynamics, led by rapid growth in organized retail and e-commerce. Consumers increasingly prefer omni-channel experiences from large-format retailers offering wider product choices and competitive pricing. In H1CY25 (annualized), large-format retail contributed ~37% of sales, while online channels accounted for ~23%.

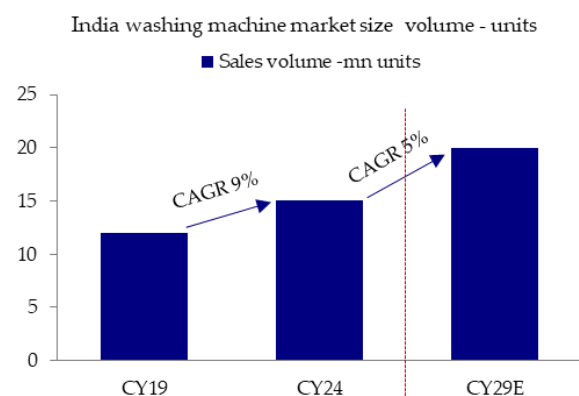
Demand for semi-automatic washing machines continues to decline, whereas premium washing machines— especially higher-capacity models (above 8 kg in both front-load and top-load categories) and washer-dryers—are gaining traction. This shift underscores growing consumer preference for advanced features, energy efficiency, and enhanced convenience, as quality and performance become key purchase drivers.

India's washing machine B2C market to register 9% CAGR over the CY24-29E in value term



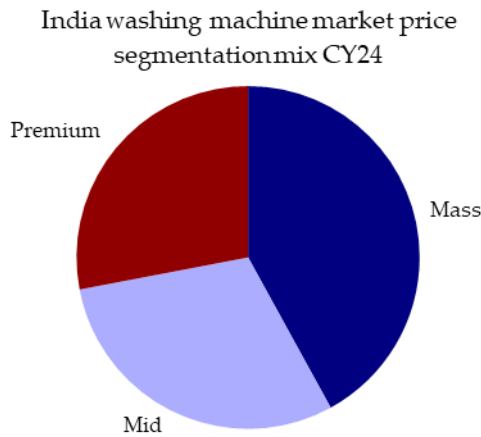
Source: LG RHP, Company, HSIE Research

However, the washing machine industry is expected to register mid-single-digit growth in volume terms



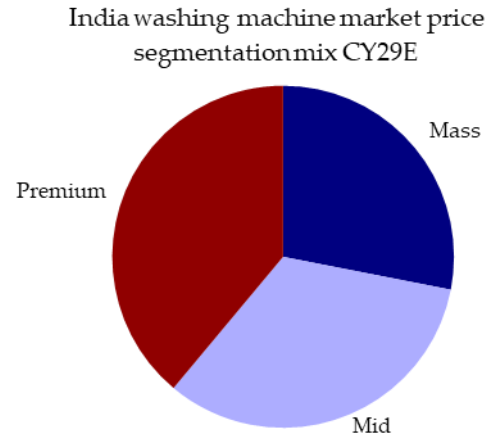
Source: LG RHP, Company, HSIE Research

Mass segment constituents have the highest share in washing machine market



Source: LG RHP, Company, HSIE Research

However, going forward, mid and premium share will increase



Source: LG RHP, Company, HSIE Research

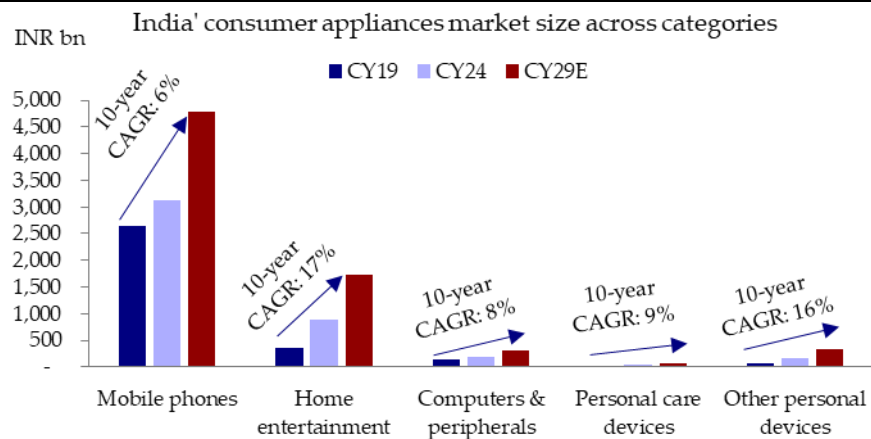
Consumer electronics market

India's consumer electronics market forms the majority of the country's overall electronics and appliances market, accounting for ~69% of the total, as of CY24.

Within this, mobile phones are the primary growth drivers, contributing about 59% of the overall electronics market and nearly 71% of the consumer electronics category. The segment also comprises several other verticals, including home entertainment products such as televisions and audio devices, which make up ~20% of the segment; computers and peripherals, at about 4%; and other categories such as personal care devices, which contribute ~5%.

From a sales channel perspective, the majority of demand is led by ecommerce and general trade, which account for 43% and 40% of sales respectively, followed by large format retail at ~16%, with the balance 1% coming from exclusive brand outlets.

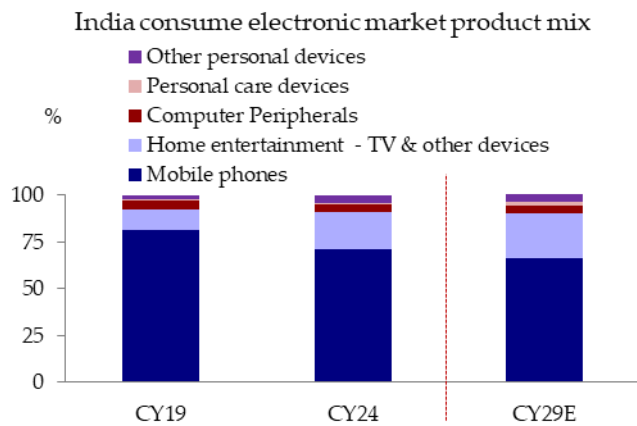
Home entertainment will be the fastest growing category among consumer appliances



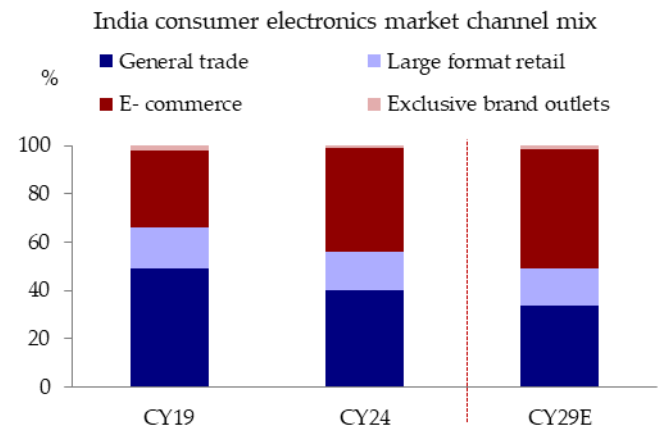
Source: LG RHP, Company, HSIE Research

In consumer electronics market product mix, share of home entertainment category may increase while highly penetrated mobile phone mix may decrease in coming months

Within the consumer electronics market's channel mix, ecommerce is set to gain share, whereas general trade is expected to lose ground. In contrast to home appliances, the large format retail channel is anticipated to witness a slight decline in its share



Source: LG RHP, Company, HSIE Research



Source: LG RHP, Company, HSIE Research

Home entertainment industry

As of CY24, the home entertainment segment, encompassing televisions and audio devices stands at ~INR 895bn, having grown at a CAGR of ~19% from CY19 to CY24. It is expected to grow at a 5-year CAGR of ~14%, reaching ~INR 1,725bn by CY29.

In CY24, televisions represented ~46% of the home entertainment market, valued at ~INR 415bn, with growth at a CAGR of ~8% from CY19 to CY24, and expected to expand at a 5-year CAGR of ~13%, reaching ~INR 760bn by CY29.

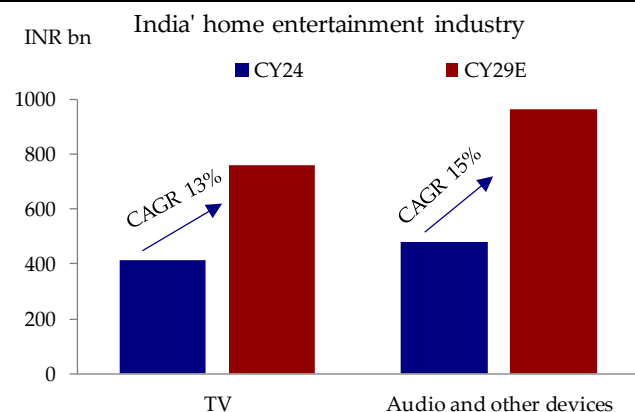
Audio devices (including personal and home audio systems) accounted for the remaining 54% of home entertainment industry. This vertical is expected to grow at a 5-year CAGR of ~15%, reaching ~INR 9,650bn over CY24-29E.

Within televisions, premium variants like OLED/QLED/QLED+ held a 22% share, standard UHD/Smart TVs made up 59%, and LED/Full HD models the remaining 19%. Large-screen models (>55 inches) have gained traction in H1CY25 (annualized), comprising ~27% of sales.

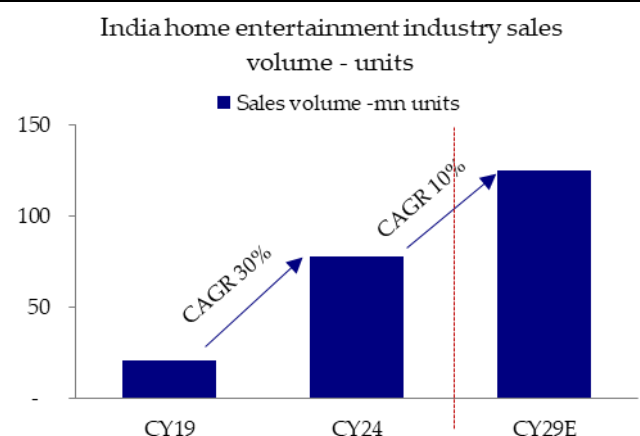
Sales channels for televisions in H1CY25 (annualized) showed large-format retail at 38% and online at 28%. Ecommerce channels are projected to capture ~30-33% of total sales for televisions and a remarkable 70-73% for audio devices by CY29.

Home entertainment industry to witness CAGR of 13-15% over the CY24-29E, in value term...

...While, in volume terms, industry to witness 10% CAGR over the CY24-29E



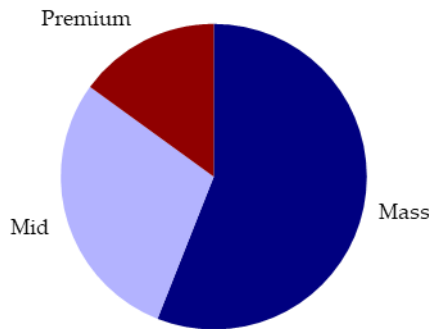
Source: LG RHP, Company, HSIE Research



Source: LG RHP, Company, HSIE Research

Home entertainment sector is presently dominated by the mass segment, which constitutes over half the share

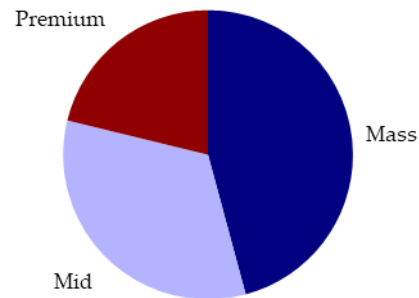
Home entertainment industry price segmentation mix CY24



Source: LG RHP, Company, HSIE Research

However, going forward, mid and premium segment share to rise

Home entertainment industry price segmentation mix CY29E



Source: LG RHP, Company, HSIE Research

Electronics and appliances service market

The services sub-segment within India's appliances and electronics market includes Annual Maintenance Contracts (AMCs), appliance subscription/rental models, and pay-per-use laundromat facilities. This category is projected to reach ~INR 520bn by CY29, delivering a robust 5-year CAGR of ~17%. Growth is underpinned by evolving consumer preferences for convenience and sustained service provider relationships, accelerated by the pivot to subscription frameworks and digital platforms.

India electronics and appliances B2B market

The B2B segment within India's appliances and electronics industry—comprising institutional devices and systems—remains structurally skewed toward commercial IT hardware, computing products, and peripherals (including monitors), which collectively account for approximately 69% of overall segment revenues. Commercial air conditioning (CAC) constitutes around 13%, while commercial displays and signages contribute roughly 6%, with the residual ~12% represented by other institutional product categories.

The uptrend is further supported by incremental investments across healthcare, education, government infrastructure, and data centre verticals—each driving adoption of technologically advanced institutional equipment such as intelligent HVAC systems, connected office devices, and integrated audio-visual (AV) solutions. These categories are witnessing robust traction, particularly within high-utilization environments such as corporate conference facilities and large institutional campuses.

In addition, the accelerating adoption of Internet of Things (IoT) frameworks and smart-building initiatives is fostering demand for fully integrated, intelligent, and energy-efficient solutions. Institutional buyers are increasingly prioritizing connected HVAC systems, adaptive lighting, and specialized IT displays that enable centralized control, real-time energy monitoring, and predictive maintenance capabilities. These attributes align closely with the scalability, reliability, and efficiency imperatives of modern commercial ecosystems.

Valued at INR 515bn in CY24 (up from a CY19-24 CAGR of ~12%), the segment is projected to deliver a 5-year CAGR of ~14%, scaling to INR 970bn by CY29. Accelerating enterprise focus on operational efficiency and digital transformation underpins sustained demand growth across these institutional solutions.

Management profile

Key managerial personnel

Name	Designation	Education and Experience
Daehyun Song	Chairman and non-executive Director	Mr. Daehyun Song holds a bachelor's degree in science (mechanical design) from Pusan National University, Busan, Korea. He is responsible for leading the board and ensuring effective governance practices, as well as facilitating communication between the board, stakeholders, management, and advisors. He has been associated with the LG Group since 1983 and with the company since 2024.
Hong Ju Jeon	Managing Director	Mr. Hong Ju Jeon holds a master's degree in business administration (global management) from Thunderbird School of Global Management, Glendale, Arizona, USA. He oversees sales strategies, operational planning, and key initiatives to drive business objectives and bolster the dealer network at the company. He has been associated with the LG Group since 1994 and with the company since 2022.
Dongmyung Seo	Whole-time Director and Chief Financial Officer	Mr. Dongmyung Seo holds a master's degree in business administration from Seoul School of Integrated Sciences & Technologies, Seoul, Korea. He manages all financial activities and accounting operations while overseeing aspects of the company's finances, including financial reporting. He has been associated with the LG Group since 1994 and with the company since 2021.
Promila Bhardwaj	Independent Director	Ms. Promila Bhardwaj holds bachelor's and master's degrees in arts (English) from Panjab University, Chandigarh, a master's degree in philosophy (social sciences) from the same institution, and a master's diploma in public administration from the Indian Institute of Public Administration, New Delhi. She joined the Indian Revenue Service in 1979 and retired as Director General of Income Tax (Systems) from the Directorate of Income Tax (Systems). She has been associated with the company since 2024.
Ramesh R Nair	Independent Director	Mr. Ramesh R Nair holds a bachelor's degree in technology (electrical engineering) from Kurukshetra University, Kurukshetra, India, and a postgraduate diploma in financial management from Indira Gandhi National Open University, India. He was previously associated with Avaada Electro Private Limited, Mundra Solar PV Limited, Bharat Aluminium Company Limited, and Jindal Stainless Limited. He has been associated with the company since 2024.
Santosh K Mohanty	Independent Director	Mr. Santosh K Mohanty holds a bachelor's degree (honours) in arts (political science) from Utkal University, Bhubaneswar, Odisha, India; a bachelor's degree in law from Siddharth College of Law, University of Mumbai, Mumbai, Maharashtra, India; a postgraduate diploma in securities law from Government Law College, Mumbai, Maharashtra, India; and a master's degree in arts (political science, international studies) from Jawaharlal Nehru University, India. He was previously associated with the SEBI, Forward Markets Commission (Government of India), and Income Tax Department (Government of India). He has been associated with the company since 2024.
Sanjay Chitkara	Director and Co-chief sales and marketing Officer	Mr. Sanjay Chitkara holds a bachelor's degree in technology (electrical engineering) from Kurukshetra University, India, and a postgraduate diploma in business management from the Institute of Management Technology, Ghaziabad, Uttar Pradesh, India. He previously worked with Videocon International Limited and is responsible for the home appliance solutions business at the company. He has been associated with the company since 1999.

Name	Designation	Education and Experience
Ashish Agarwal	Chief Operating Officer	Mr. Ashish Agarwal holds a bachelor's degree in commerce (honors) from the University of Delhi, Delhi, India, and has passed the final examination of the Institute of Chartered Accountants of India. He previously worked with S.R. Batliboi & Co. and is responsible for the go-to-market division at the company, encompassing business strategy, market sensing, brand shop management, in-store operations, and sell-out management. He has been associated with the company since 1999.
Atul Khanna	Chief Accounting Officer	Mr. Atul Khanna holds a bachelor's degree in commerce from Kurukshetra University, India, and has passed the final examination of the Institute of Chartered Accountants of India. He is responsible for treasury and insurance management, customer and credit risk management, direct and indirect taxation, and financial reporting at the company. He joined Escorts Communications Limited in 1997, which subsequently merged with LG in 2002.
Gagan Jeet Singh	Chief Manufacturing Officer	Mr. Gagan Jeet Singh holds a bachelor's degree in engineering (electronics) from University of Pune, Maharashtra, India. He is responsible for operations at the Noida factory in the Company. He has been associated with the company since 1997.
Gurpinderjeet Singh	Planning Head – Sales and Fi	Mr. Gurpinderjeet Singh holds a bachelor's degree in commerce from the University of Delhi and has passed chartered accountancy exams of the Institute of Chartered Accountants of India. He previously worked with SKOL Breweries Limited and is responsible for planning and sales programs at the company, including budgeting, monitoring, and reporting sales achievements at the organizational level within the sales organization. He has been associated with the company since 2005.

Source: LG RHP, Company, HSIE Research

Company background

LG Electronics India Ltd (LG), a wholly owned subsidiary of LG Electronics Inc., South Korea, is one of India's leading consumer durables and electronics companies. Established in January 1997, the company has built a strong market presence across key product categories such as televisions, refrigerators, washing machines, and air conditioners, where it commands significant market share.

LG offers an extensive product portfolio that includes home appliances—such as refrigerators, washing machines, air conditioners, water purifiers, dishwashers, microwave ovens, air purifiers, vacuum cleaners, compressors, and ceiling fans—as well as home entertainment products like televisions, monitors, interactive displays, and other audio-visual systems. The company also manufactures several key components, including compressors and motors, at its own facilities, providing greater control over product development, quality, cost, and supply timelines.

The company is headquartered in New Delhi, with a major corporate office in Noida, Uttar Pradesh. Its key manufacturing facilities are located in Greater Noida (Uttar Pradesh) and Pune (Maharashtra), where it produces LED TVs, air conditioners, commercial air conditioning systems, washing machines, refrigerators, and monitors.

Take on H1FY26 result:

- Revenue is down 1% YoY in H1FY26 to INR 124.4bn, owing to weak summer, deferred demand after GST cut announcement. Revenue declined by 2% YoY in Q1FY26, while it grew 1% YoY in Q2FY26.
- Home appliances segment de-grew 2% YoY in H1 (71% revenue mix), while home entertainment division grew 2% YoY.
- For H1FY26, gross margin declined 200bps YoY to 31%. Employee cost was up 6% YoY, while other expenses were up 8% YoY. Consequently, EBITDA margin declined 350bps YoY, leading to a 26% decline in EBITDA.
- APAT declined 26% YoY, owing to lower EBITDA, increased depreciation (up 30% YoY), and higher finance cost (up 30% YoY), partially offset by higher other income (up 24% YoY).

LG Electronics India Q2FY26/H1FY26 financial snapshot

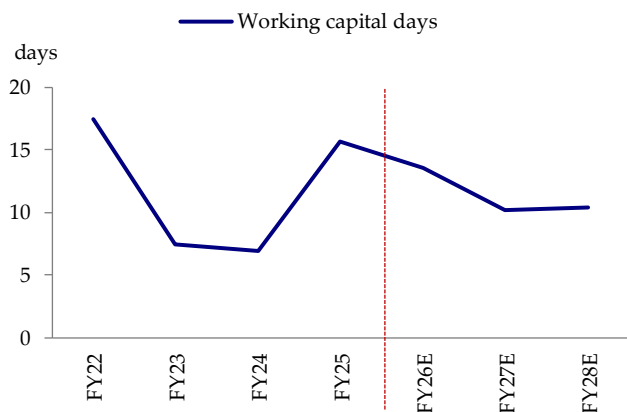
Financials (Rs mn)	Q2FY26	Q2FY25	YoY %	Q1FY26	QoQ %	H1FY26	H1FY25	YoY %
Net Sales	61,740	61,139	1.0	62,629	(1.4)	1,24,370	1,25,227	(0.7)
Total Expenditure	56,265	53,569	5.0	55,467	1.4	1,11,731	1,08,076	3.4
Raw Materials	43,561	41,721	4.4	42,831	1.7	86,393	84,545	2.2
Employee	2,480	2,345	5.8	2,536	(2.2)	5,016	4,753	5.5
Others	10,224	9,503	7.6	10,099	1.2	20,323	18,778	8.2
EBITDA	5,476	7,570	(27.7)	7,163	(23.6)	12,638	17,151	(26.3)
EBITDA margins (%)	8.9	12.4		11.4		10.2	13.7	-353
Depreciation	935	973	37.4	902	5.8	1,837	1,941	29.8
EBIT	4,541	6,597	(31.2)	6,260	(27.5)	10,801	15,210	(29.0)
EBIT margins (%)	7.4	10.8		10.0		8.7	12.1	
Other Income	798	668	19.5	744	7.2	1,542	1,248	23.6
Interest	90	65	37.4	85	5.8	175	135	29.8
PBT	5,249	7,199	(27.1)	6,920	(24.1)	12,168	16,323	(25.5)
Taxes	1,354	1,842	(26.5)	1,787	(24.2)	3,141	4,169	(24.7)
Share of JV/Associates	-	-		-		-	-	
Non-controlling Interest	-	-		-		-	-	
Adjusted PAT	3,894	5,357	(27.3)	5,133	(24.1)	9,027	12,153	(25.7)
Exceptional exp/ (Inc)	-	-		-		-	-	
Reported PAT	3,894	5,357	(27.3)	5,133	(24.1)	9,027	12,153	(25.7)
Adj PAT margins (%)	6.3	8.8		8.2		7.3	9.7	
Adj EPS (Rs)	5.7	7.9	(27.3)	7.6	(24.1)	13.3	17.9	(25.7)

Source: Company, HSIE Research

Stable and minimal working capital requirement

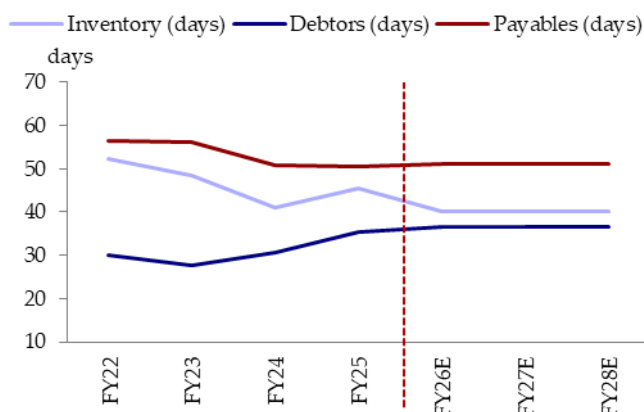
LG's working capital cycle remains low at ~10-20 days, as it normally has ~1/1.5 months debtor/inventory days which are offset by ~2 months payable days. The company's shorter working capital cycle indicates superior working capital management compared to other industry players. In FY25, working capital days were 16 days, and we anticipate it will continue to maintain its superior working capital cycle.

The company's working capital cycle is expected to remain stable in upcoming periods



Source: LG RHP, Company, HSIE Research

The company normally has ~1/1.5 months debtor/inventory days which are offset by ~2 months payable days



Source: LG RHP, Company, HSIE Research

Valuation and recommendation

We like LG for its market leadership in core product categories, strong brand equity, consistent technological innovations and product launches, healthy balance sheet, robust return ratios, and low working capital needs. The company leads the market in washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves ovens. The company's leading position in a large under-penetrated Indian electronics and appliances market further unlocks growth opportunities. LG delivered a 13% revenue CAGR over FY23-25, with FY25 seeing double-digit growth in refrigerators, washing machines, and air conditioners, while television reported high single-digit growth, reinforcing its strong segment positioning. EBITDA margins expanded by 260bps to 12.8% over the FY23-25, fueled by higher localization and a premiumization-driven product mix shift, complemented by impressive return metrics including RoE more than doubling from 20% in FY22 to 45% in FY25.

We expect company to continue to deliver healthy growth across all segments over the coming periods, though FY26E to remain soft (1% revenue declined in H1FY26 owing to muted demand further impacted by unfavorable weather conditions).

In our view, company margins will decline in FY26E (EBITDA margin down 350bps YoY in H1FY26) owing to muted demand leading to higher sales and promotional expenses, negative op-leverage, surge in commodity cost led elevated raw material cost and increase cost in RAC segment due to new BEE norms. However, we anticipate margins to recover in FY27E and further increase in FY28E (back to FY25 level). We expect the company to deliver 8% CAGRs for revenue, EBITDA, and APAT. Our revenue estimates for FY26/27/28E are 2/4/5% below consensus, respectively, while APAT estimates are 14/3/4%% lower, respectively.

We are initiating coverage with an ADD and a TP of INR 1,545 per share, valuing it at 38x Mar-28E AEPS.

Valuation summary of our consumer durable coverage universe

Company	Mcap (INR bn)	CMP* (INR)	TP (INR)	Valuation multiple ^	RECO	EV/EBITDA			P/E (x)			RoE %			Rev CAGR FY25-	EPS CAGR FY25-
						FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E		
Bajaj Electricals	45	396	415	28x	REDUCE	15.3	11.5	10.7	48.5	28.6	26.6	5.9	9.6	9.8	5.2	15.3
Crompton Consumer	143	225	370	32x	BUY	17.6	12.9	10.8	31.4	22.5	19.3	11.6	15.0	15.8	8.6	10.4
Eureka Forbes	102	525	830	45x*	BUY	29.8	23.5	18.0	49.0	39.1	30.7	4.6	5.5	6.6	14.3	27.4
Havells	810	1,290	1,765	50x	BUY	33.8	27.8	24.0	51.5	42.7	36.5	17.9	19.5	20.6	11.1	14.1
LG Electronics	950	1,408	1,545	38x	ADD	37.4	26.1	22.3	55.2	39.1	34.6	25.3	28.0	25.4	7.9	7.8
Orient Electric	38	176	250	32x	BUY	16.0	12.4	10.5	37.1	26.1	22.4	14.0	18.2	19.1	9.2	26.3
Symphony	57	843	1,220	30x	BUY	33.5	19.2	16.8	36.8	22.9	20.7	20.0	28.8	27.6	4.1	4.7
TTK Prestige	80	598	645	33x	REDUCE	26.0	21.0	17.9	44.8	35.4	30.7	9.5	11.3	12.2	8.8	13.2
V-Guard	138	323	370	35x	ADD	27.2	21.6	18.5	46.6	35.9	30.4	18.4	21.2	22.2	9.9	13.8
Voltas	443	1,379	1,430	SOTP – UCP 40X	ADD	59.3	33.7	28.1	83.8	46.1	37.8	8.1	13.8	15.2	8.6	12.7

Source: Company; HSIE Research ^Valuation is based on Mar-28E PE basis *Excluding non-cash intangible amortization and 50% of performance-based ESOP expenses. CMP as on 28th January 2026

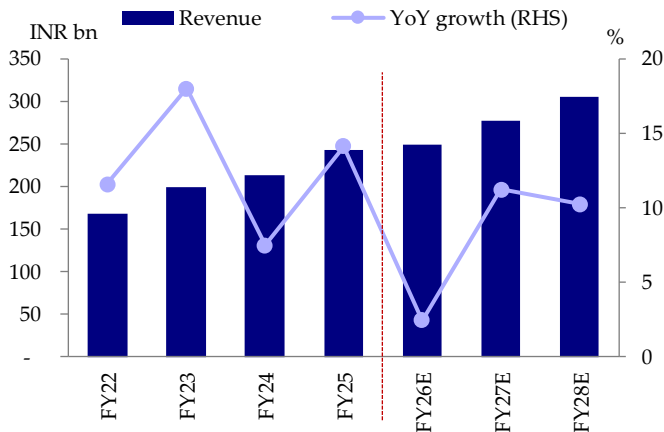
Key risk

- **Intense competition:** In India's appliances and electronics market, competition arises from domestic players, Chinese brands, and global players including Korean ones. Domestic players leverage regional preferences, strong local trust, and extensive distribution networks to serve price-sensitive urban and rural consumers with versatile, affordable models for first-time buyers and upgrades. Chinese brands intensify rivalry through competitive pricing, innovative marketing, rapid product cycles, and online-only channels, pressuring firms amid higher domestic costs versus low-cost imports from China and Vietnam, prompting differentiation via unique features, premium service, R&D, and brand trust. Global players compete with high-quality manufacturing and cutting-edge features to capture demand for premium durable products.
- **Industry seasonality and slowdown:** Sales of products like air conditioners and refrigerators peak in India's summer (April-June) and dip in winter (October-January), while washing machines demand rises in Q2 monsoon, and TVs/microwave ovens surge in H2 festivals/marriage season. This seasonal nature of industry requires promotional and pricing adjustments for competitiveness, causing quarterly sales and margins volatility. Unseasonal weather conditions lead to potential industry slowdown.
- **Dependence on promoter (LG Electronics, Korea):** The company depends on parent and promoter LG Electronics for product innovations, design, manufacturing technologies, brand, technical know-how, and exports. The company has a license agreement with parent which grants use of LG's brand, patents, know-how, and IP for authorized products, requiring royalties of 2.3% on net sales (excluding LCD TVs/monitors) and 2.4% for LCD TVs/monitors. The royalty rate may increase in the future, posing a downside risk on the company's margins; however, management has stated there are no plans for a rate hike at present.
- **Raw material price volatility:** The company sources raw materials like steel, copper, aluminium, polymers, and components such as semiconductors (for circuit boards), electromechanical parts (for electronics), open cells (for TV modules), and packaging from domestic and foreign suppliers. Some suppliers rely on third parties for materials needed to produce these components. Global commodity volatility, geopolitical tensions, duties, tariffs, forex rates, supply chain disruptions may affect raw material prices and impact margins of the company.
- **Supplier concentration:** The company relies on a limited number of suppliers for certain key raw materials. For instance, it sources pre-coated and galvanized steel from three Indian suppliers; most of its acrylonitrile butadiene styrene resin (for plastic parts in products) and expanded polystyrene resin (mainly for packaging) from two suppliers; and the majority of internally grooved tubes (primarily for air conditioner heat/air exchangers) from one supplier. For key components, the company also depends on multiple Chinese suppliers for motors, exposing it to China-specific geographic risks. Any interruption in the availability of raw materials due to geopolitical uncertainties, shortages or supplier misconduct, among other reasons, could adversely impact company's business operations.

Financial summary

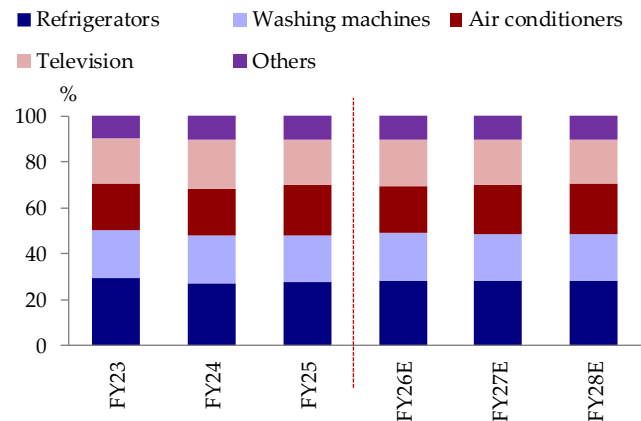
During FY25-28E, we anticipate LG to continue to deliver healthy growth across all segments over the coming periods, though FY26E will remain soft (1% revenue de-growth in H1FY26) due to muted demand (especially RAC), further impacted by unfavorable weather conditions. Overall, FY26E revenue growth is expected at 2% YoY, with momentum accelerating to 11% and 10% YoY in FY27E and FY28E, respectively. We expect the company to deliver 8% CAGRs for revenue, EBITDA, and APAT CAGRs FY25-28E.

Revenue to witness 8% CAGR over FY25-28E



Source: Company, HSIE Research

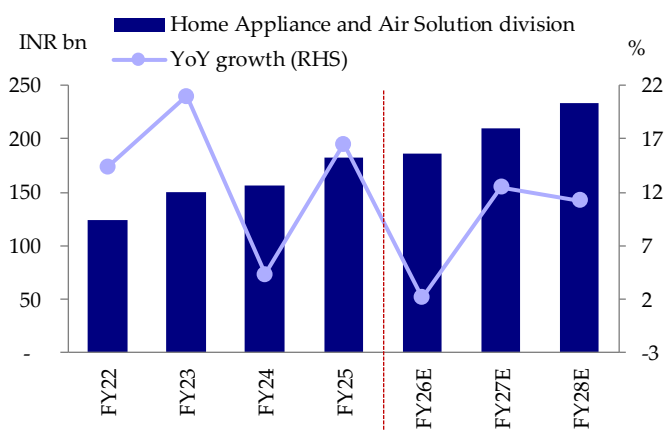
Product mix to remain broadly same over the FY25-28E



Source: Company, HSIE Research

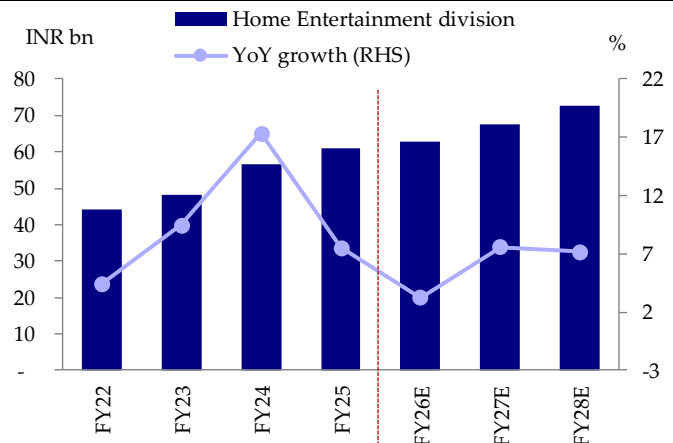
Both home appliances and home entertainment segment will continue to deliver growth. We expect 9% and 6% annual revenue growth during FY25-28E for each of the segments, respectively. We project 9/9/7/6% revenue CAGR for air conditioners, refrigerators, washing machines, and television segments.

We estimate home appliance segment to witness 9% CAGR over the FY25-28E...



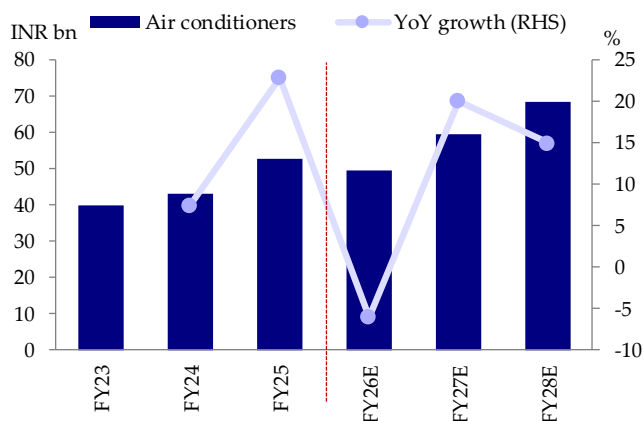
Source: Company, HSIE Research

... while, home entertainment segment to register 6% CAGR over the FY25-28E



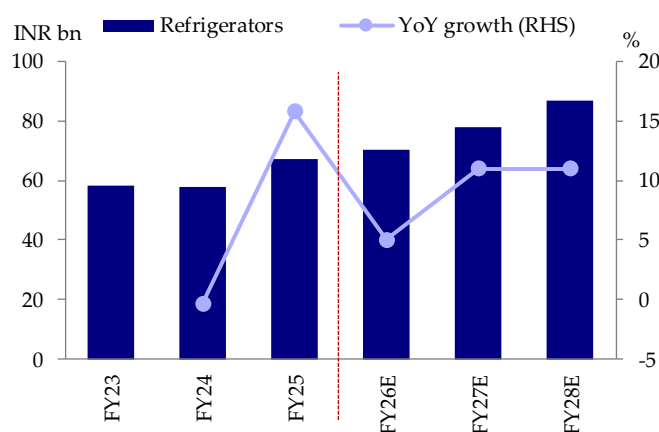
Source: Company, HSIE Research

We estimate air conditioner segment to witness 9% CAGR over the FY25-28E



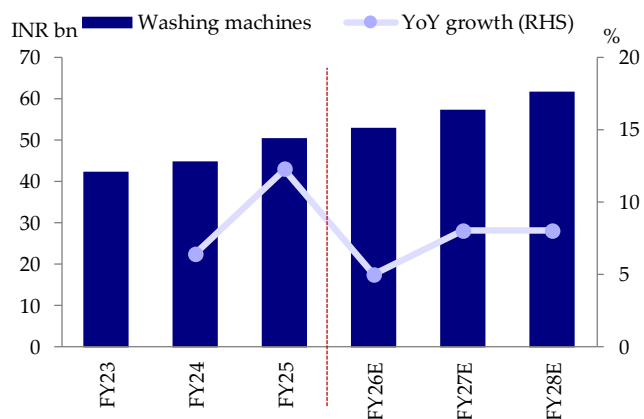
Source: Company, HSIE Research

Refrigerator to report 9% CAGR over the FY25-28E



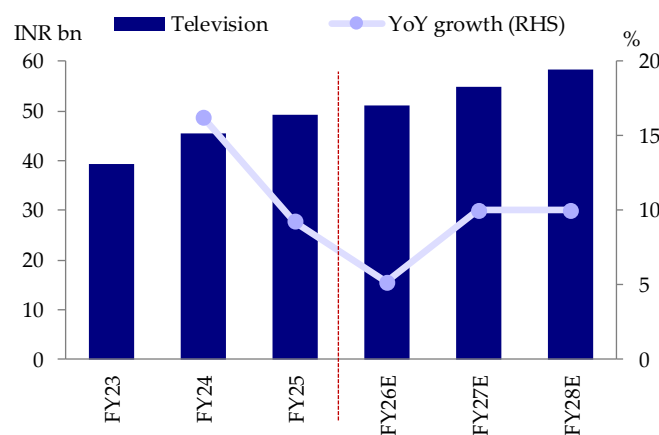
Source: Company, HSIE Research

We estimate washing machine segment to witness 7% CAGR over the FY25-28E..



Source: Company, HSIE Research

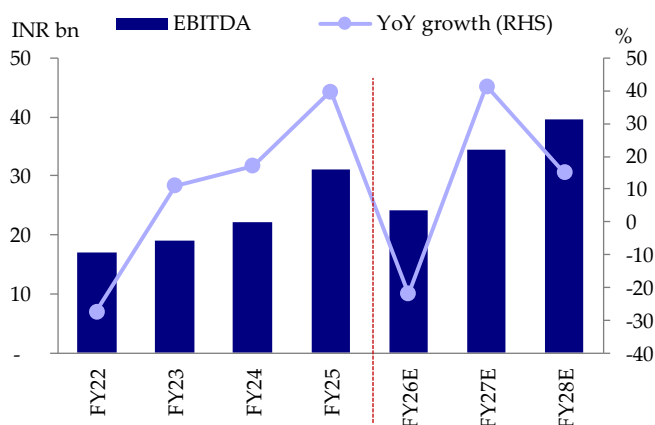
... while, television segment to witness lower 6% CAGR over the FY25-28E



Source: Company, HSIE Research

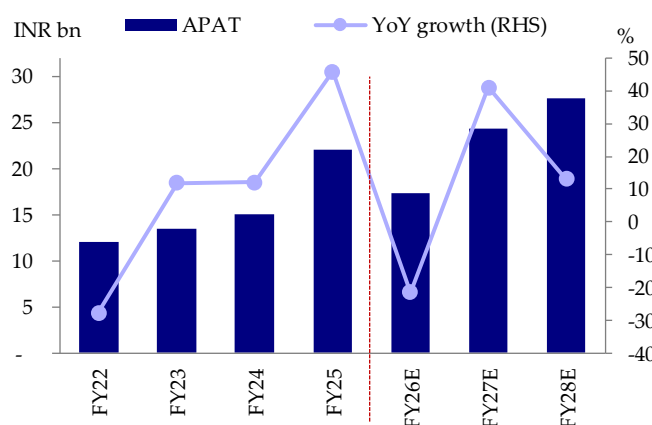
Gross margins are projected to decline in FY26E due to a surge in raw material costs but recover in FY27E. Accounting for subdued gross margins, elevated promotional spending, and negative operating leverage, EBITDA margins are modeled to contract by 310bps in FY26E. However, margins should revert to FY25 levels by FY28E as demand strengthens and higher costs are passed through to customers.

EBITDA to grow 8% CAGR over the FY25-28E



Source: Company, HSIE Research

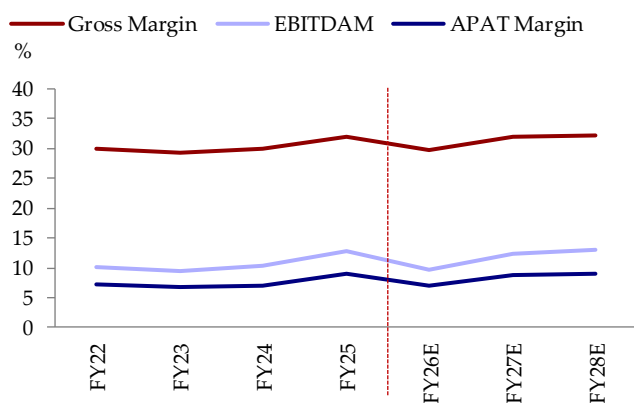
APAT to witness 8% CAGR over the FY25-28E



Source: Company, HSIE Research

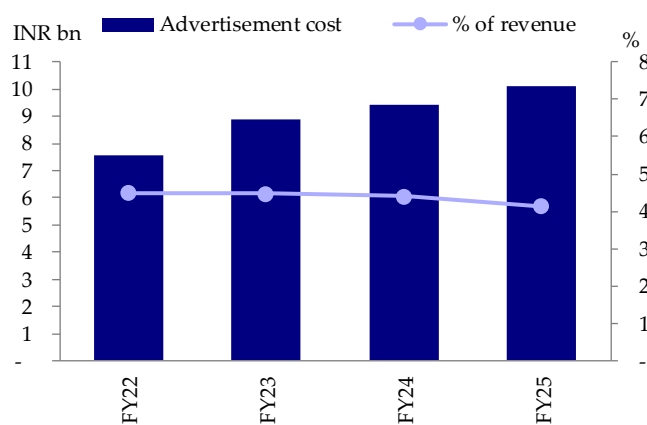
LG Electronics India Ltd: Initiating Coverage

Margins are projected to decline in FY26E but are expected to recover in FY27E/28E



Source: Company, HSIE Research

LG marketing spending has stayed broadly proportional to revenue in the past couple of years



Source: Company, HSIE Research

Du Pont analysis

LG's net profit margin is projected to decline to 6.9% in FY26E from 9% in FY25, driven by weak demand prompting higher marketing expenses and negative operating leverage, though recovery back to 9% is anticipated by FY28E. Meanwhile, asset turnover is expected to fall from 4.5x in FY25 to 2.6x by FY28E, as capex pace will accelerate owing to upcoming new third manufacturing plant in Sri City, Andhra Pradesh, will require time to ramp up and dilute turnover ratios. The leverage factor is expected to remain stable at around 1.1x as capex will be funded through healthy internal accruals. Consequentially, RoE is expected to fall from 45% in FY25 to 26% in FY28E, impacted by dilution in asset turnover, still higher than FY22 levels.

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net margin (%)	7.2	6.8	7.1	9.0	6.9	8.8	9.0
Asset Turnover (x)	2.6	3.8	4.8	4.5	3.4	3.0	2.6
Leverage factor (x)	1.1	1.1	1.1	1.1	1.1	1.1	1.1
RoE (%)	19.9	27.4	37.2	45.2	25.3	28.0	25.4

Source: Company, HSIE Research

Financials (consolidated)

Income Statement

YE Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenues	1,50,866	1,68,342	1,98,646	2,13,520	2,43,666	2,49,602	2,77,624	3,06,078
Growth %	(4.0)	11.6	18.0	7.5	14.1	2.4	11.2	10.2
Raw Material	97,679	1,18,005	1,40,281	1,49,302	1,65,801	1,75,134	1,88,839	2,07,718
Employee cost	6,433	7,255	7,992	8,868	9,628	10,483	11,383	12,243
Other Expenses	23,255	25,977	31,380	33,101	37,136	39,687	43,032	46,524
EBITDA	23,499	17,105	18,993	22,249	31,101	24,297	34,371	39,594
EBIDTA Margin (%)	15.6	10.2	9.6	10.4	12.8	9.7	12.4	12.9
EBITDA Growth %	(4.8)	(27.2)	11.0	17.1	39.8	(21.9)	41.5	15.2
Depreciation	2,439	2,584	3,004	3,644	3,804	3,830	4,780	6,180
EBIT	21,060	14,522	15,989	18,605	27,298	20,467	29,591	33,414
Other Income	1,754	2,038	2,440	2,051	2,640	3,221	3,704	4,259
Interest	198	243	226	285	306	368	395	435
PBT	22,616	16,316	18,203	20,371	29,631	23,320	32,900	37,238
Tax	5,951	4,260	4,723	5,260	7,598	6,016	8,488	9,607
Minority Int	-	-	-	-	-	-	-	-
RPAT	15,290	11,748	13,449	15,111	22,033	17,303	24,412	27,631
EO (Loss) / Profit (Net Of Tax)	(1,375)	(309)	(31)	-	-	-	-	-
APAT	16,665	12,056	13,480	15,111	22,033	17,303	24,412	27,631
APAT Growth (%)	(10.1)	(27.7)	11.8	12.1	45.8	(21.5)	41.1	13.2
AEPS	24.6	17.8	19.9	22.3	32.5	25.5	36.0	40.7
AEPS Growth %	(10.1)	(27.7)	11.8	12.1	45.8	(21.5)	41.1	13.2

Source: Company, HSIE Research

Balance Sheet

YE Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCES OF FUNDS								
Share Capital	1,131	1,131	1,131	1,131	6,788	6,788	6,788	6,788
Reserves And Surplus	64,734	53,876	42,431	36,591	52,914	70,217	90,556	1,13,435
Total Equity	65,865	55,007	43,562	37,722	59,702	77,005	97,344	1,20,223
Long-term Debt	2,478	2,347	2,495	2,847	3,305	3,636	3,999	4,399
Short-term Debt	-	561	690	853	973	1,070	1,177	1,295
Total Debt	2,478	2,908	3,185	3,700	4,278	4,706	5,177	5,694
Deferred Tax Liability	(1,432)	(1,278)	(1,365)	(1,720)	(2,040)	(2,040)	(2,040)	(2,040)
Long-term Liab+ Provisions	1,900	1,674	1,865	2,548	3,180	3,451	3,747	4,070
TOTAL SOURCES OF FUNDS	68,811	58,311	47,247	42,251	65,120	83,122	1,04,227	1,27,947
APPLICATION OF FUNDS								
Net Block	10,489	10,475	13,428	13,188	13,291	14,461	23,681	31,501
Capital WIP	338	1,030	246	245	753	9,753	9,753	9,753
Other Non-current Assets	3,335	3,506	3,242	3,248	3,679	4,047	4,451	4,896
Total Non-current Investments	-	-	-	-	-	-	-	-
Total Non-current Assets	14,162	15,011	16,916	16,681	17,723	28,261	37,885	46,150
Inventories	26,418	24,094	26,410	23,974	30,315	29,952	30,539	33,669
Debtors	10,595	13,811	14,995	17,970	23,612	24,960	27,762	30,608
Cash and Cash Equivalents	55,108	37,094	27,626	22,226	37,415	46,222	59,273	73,871
Other Current Assets	2,875	2,904	2,609	2,414	4,067	4,352	4,788	5,267
Total Current Assets	94,996	77,903	71,641	66,584	95,408	1,05,487	1,22,362	1,43,414
Creditors	33,397	25,983	30,633	29,755	33,671	34,944	38,867	42,851
Other Current Liabilities & Provisions	6,950	8,619	10,677	11,259	14,340	15,682	17,153	18,766
Total Current Liabilities	40,347	34,602	41,309	41,014	48,012	50,626	56,020	61,617
Net Current Assets	54,649	43,301	30,332	25,570	47,397	54,861	66,342	81,796
TOTAL APPLICATION OF FUNDS	68,811	58,311	47,247	42,251	65,120	83,122	1,04,227	1,27,947

Source: Company, HSIE Research

Cash Flow

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	22,616	16,316	18,161	20,371	29,631	23,320	32,900	37,238
Non-operating & EO Items	(743)	470	(2,072)	(1,799)	(2,636)	(3,221)	(3,704)	(4,259)
Interest Expenses	-	-	225	269	305	368	395	435
Depreciation	-	-	3,004	3,644	3,804	3,830	4,780	6,180
Working Capital Change	4,229	(6,791)	3,988	(133)	(7,025)	1,246	1,461	(980)
Tax Paid	(5,676)	(4,016)	(4,425)	(5,699)	(7,539)	(6,016)	(8,488)	(9,607)
OPERATING CASH FLOW (a)	20,426	5,979	18,882	16,655	16,539	19,527	27,344	29,007
Capex	(1,416)	(2,695)	(5,138)	(2,402)	(3,346)	(14,000)	(14,000)	(14,000)
Free Cash Flow (FCF)	19,010	3,284	13,744	14,253	13,193	5,527	13,344	15,007
Investments	-	-	-	-	-	-	-	-
Non-operating Income	1,718	1,963	2,399	2,198	3,070	3,221	3,704	4,259
Others								
INVESTING CASH FLOW (b)	302	(732)	(2,739)	(205)	(275)	(10,779)	(10,296)	(9,741)
Debt Issuance/(Repaid)	-	-	(494)	(654)	(760)	428	471	518
Interest Expenses	(156)	(225)	(225)	(269)	(305)	(368)	(395)	(435)
FCFE	18,854	3,059	13,025	13,329	12,129	5,587	13,420	15,090
Share Capital Issuance	-	-	-	-	-	-	-	-
Dividend	(13,327)	(22,626)	(24,888)	(20,929)	-	-	(4,073)	(4,751)
Others	(243)	(415)	-					
FINANCING CASH FLOW (c)	(13,726)	(23,265)	(25,607)	(21,853)	(1,065)	59	(3,997)	(4,669)
NET CASH FLOW (a+b+c)	7,002	(18,018)	(9,464)	(5,402)	15,199	8,807	13,051	14,598
Closing Cash & Equivalents	55,108	37,090	27,630	22,223	37,425	46,222	59,273	73,871

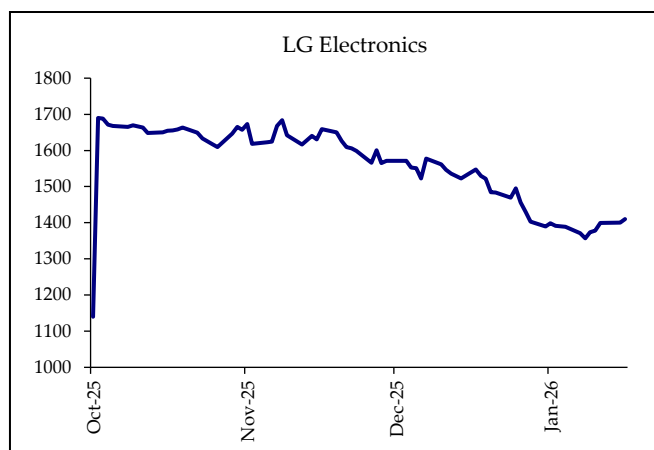
Source: Company, HSIE Research

Key Ratios

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PROFITABILITY %								
EBITDA Margin	15.6	10.2	9.6	10.4	12.8	9.7	12.4	12.9
EBIT Margin	14.0	8.6	8.0	8.7	11.2	8.2	10.7	10.9
APAT Margin	11.0	7.2	6.8	7.1	9.0	6.9	8.8	9.0
RoE	25.7	19.9	27.4	37.2	45.2	25.3	28.0	25.4
RoIC (pre tax)	142.0	86.6	80.8	95.0	116.8	75.7	94.9	84.0
RoCE (pre tax)	34.0	26.1	34.9	46.2	55.8	32.0	35.5	32.5
EFFICIENCY								
Tax Rate %	26.3	26.1	25.9	25.8	25.6	25.8	25.8	25.8
Fixed Asset Turnover (x)	7.3	7.1	7.2	6.8	7.1	6.5	5.8	5.0
Inventory (days)	64	52	49	41	45	44	40	40
Debtors (days)	26	30	28	31	35	37	37	37
Other Current Assets (days)	15	14	11	10	12	12	12	12
Payables (days)	81	56	56	51	50	51	51	51
Other Current Liab & Provns (days)	21	22	23	24	26	28	27	27
Cash Conversion Cycle (days)	2	17	8	7	16	14	10	10
Net Debt/EBITDA (x)	(2.2)	(2.0)	(1.3)	(0.8)	(1.1)	(1.7)	(1.6)	(1.7)
Net D/E	(0.8)	(0.6)	(0.6)	(0.5)	(0.6)	(0.5)	(0.6)	(0.6)
Interest Coverage	106.4	59.7	70.8	65.3	89.1	55.6	74.9	76.8
PER SHARE DATA (Rs)								
EPS	24.6	17.8	19.9	22.3	32.5	25.5	36.0	40.7
CEPS	28.1		24.3	27.6	38.1	31.1	43.0	49.8
Dividend	-	-	36.7	30.8	-	6.0	7.0	8.0
Book Value	97.0	81.0	64.2	55.6	88.0	113.4	143.4	177.1
VALUATION								
P/E (x)	57.3	79.3	70.9	63.2	43.4	55.2	39.1	34.6
P/Cash EPS (x)	53.9	66.7	58.1	51.0	37.0	45.2	32.7	28.3
P/BV (x)	14.5	17.4	21.9	25.3	16.0	12.4	9.8	7.9
EV/EBITDA (x)	38.4	53.8	49.0	42.1	29.7	37.4	26.1	22.3
EV/sales (x)	5.98	5.47	4.69	4.39	3.78	3.64	3.23	2.88
Dividend Yield (%)	-	-	2.6	2.2	-	0.4	0.5	0.6
OCF/EV (%)	2.3	0.6	2.0	1.8	1.8	2.1	3.0	3.3
FCFF/EV (%)	2.1	0.4	1.5	1.5	1.4	0.6	1.5	1.7
FCFE/M Cap (%)	2.0	0.3	1.4	1.5	1.4	0.6	1.4	1.6

Source: Company, HSIE Research. CMP as on January 28, 2026.

Price History



Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

We, **Keshav Lahoti, CA, CFA, Rajesh Ravi, MBA, Mahesh Nagda, CA & Riddhi Shah, MBA** authors and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does have/does not have any material conflict of interest.

Any holding in stock – No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. This report may have been refined using AI tools to enhance clarity and readability.

Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

HDFC Securities**Institutional Equities**

Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Board: +91-22-6171-7330 www.hdfcsec.com